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FM: Syria harboring 10 terror groups

Shikaki: Attacks against Israel to continue

HILLEL KUTTLER and news agencies

FOREIGN Minister Shimon Peres yesterday accused Syria of harboring 10 terror organizations opposed to Middle East peace-making and said that it contradicted peace efforts.

"How can Syria advance towards peace while still permitting terrorist operations?" Peres told Channel One in an interview recorded in Washington, where he has begun a week-long visit.

Fathi Shikaki, head of the Islamic Jihad faction that claimed credit for last month's Beit Lid attack, was quoted yesterday as saying Palestinians will step up terror.

"The war continues," Shikaki told *The Washington Post* in an interview in his Damascus office. "What is going on inside Palestine now is a real war that will witness an escalation."

He also claimed the Israeli-PLO agreements are "effectively dead."

Shikaki justified Beit Lid attack as "a military target," and said it was in retaliation for the November murder of Hani Abed, which has been attributed to Israeli security forces in Gaza.

Shikaki also denied what he called American charges that Syria cooperates with the group's missions.

One of his aides issued an indirect threat against US citizens in Israel, saying: "Our acts are directed against the Israelis only, and not against Americans in Palestine. But if the Americans want to out us in a corner, the realm of our activities will expand."

The US Embassy, meanwhile, has renewed orders to employees to avoid Israeli public transport because of the Beit Lid bombing, an embassy official said yesterday.

Israel Television said the ban was ordered in a letter issued January 23, a day after the suicide attack.

An embassy official said the letter renewed "a longstanding instruction" to employees to avoid travel on Israeli buses.

Syria yesterday blasted Prime Minister Yitzhak Rabin for what it called his "obstinate stance" at the four-way Cairo summit last week.

The official daily Syria Times also attacked PLO chairman Yasser Arafat who it said pledged to help stop anti-Israeli resistance while Rabin did not budge from his "tough policies."

"Rabin made no concessions to Arab demands for a complete halt to Jewish settlement activities in occupied territories, neither did he make a clear commitment to speed up delayed Palestinian elections and the freeing of Palestinian detainees," the English-language paper said.

"Concerning the Golan, Rabin appeared as intransigent as he always is when he is rejected to give commitment to full withdrawal from it," it said.



A policeman at Ben-Gurion Airport guards a Royal Jordanian airplane sent by King Hussein yesterday to pick up MKs. (Reuters)

Festive meal and plain talk for MKs and King Hussein

LIAT COLLINS AMMAN

THE meal was festive, but the talk was plain, when a delegation of 28 MKs dined at King Hussein's table last night.

The group, led by Speaker Shevah Weiss, arrived at the Hashemiyeh Palace here after a 20-minute flight from Ben-Gurion Airport to the Marka military airport just outside Amman in a Royal Jordanian aircraft.

Hussein delivered a short after-dinner address, expressing his hope that direct contacts will build a lasting peace, "to serve as an example to others in the region, and to create a lasting peace for generations to come, so that the forces of peace would overcome the shadows of darkness."

Although the king's speech stuck to general terms, Crown Prince Hassan's pre-dinner talk got down to basics.

"Now is the time to move from peacemaking to peace building,"

Hassan said. "We need to translate the euphoria of peace into terms easily understandable to the farmer, the storeowner, and the simple soldier."

He emphasized that the Jordanian public has yet to feel the concrete results of peace, and now is the time to bring about economic benefits.

But "we should not be forced into adopting an apologetic tone when talking about the peace," he added.

Hassan said the economic conference, scheduled to be held here in November, should not be a repeat of Casablanca.

"That was a general declaration. The Amman Roundtable should be specific talks on specific topics," he said.

Weiss re-extended President Ezer Weizman's invitation to King Hussein to visit Israel.

Hassan said he hoped the brief visit would give the Israelis an understanding of Jordanian parliamentary life and the socio-economic factors at play in the country. He also demonstrated a knowledge both of Israeli politics, naming the 11 Israeli political factions.

Israel Radio said there were 28 MKs in the group, seven less than originally expected, but the official Jordan Television said there were 29. At least one Likud MK canceled at the last minute, and it was not clear if he was included in either count.

The delegation included representatives of all political parties.

Among the MKs were Abdul Wahab Darawshe (Democratic Arab Party), Salah Tarif (Labor), and Hashem Mahameed (Hadas).

According to AP, the visit of the MKs was kept under wraps in Jordan, apparently in order not to offend Moslem fundamentalists.

On Saturday, lawmakers affiliated with Jordan's influential fundamentalists, the Islamic Action Front, bitterly criticized the visit.

A front statement said the Israelis' visit offended "the feelings of the Jordanian people, who will see the enemies of the nation, the occupiers, and the war criminals on their national soil."

King Hussein has repeatedly warned the front that his patience with its anti-peace rhetoric is wearing thin.

Cabinet approves TASE tax cancellation

Market drops by more than 3%

JOSE ROSENFELD

THE cabinet yesterday approved Finance Minister Avraham Shohat's proposal to revoke the capital gains tax which the Knesset enacted only a few weeks ago.

However yesterday's trading on the TASE was final proof that the tax had little to do with the malaise on the stock market. Prices declined by more than 3%: The Two-Sided dropped by 3.6%, the Maof by 3.4% and the Karam by 3.2%. Turnover was NIS 108 million.

The only thing that seems to have changed since the cancellation of the tax last Tuesday was the volume of trading.

Shohat said that despite his proposal, he still thought that a tax on income from capital is just as appropriate as a tax on income from work. Bowing to political pressure, Shohat decided to cancel the tax and expressed his disappointment that such a tax will not be imposed again for many years since it is so politically charged.

Only Absorption Minister Yair Tzaban and Labor Minister Ora Namir voted against the proposal, while Communications Minister Shulamit Aloni and Transportation Minister Yisrael Kessar abstained.

Tzaban said that although he was well aware that the cancellation was a far gone conclusion, his vote was "a protest vote against the interested parties who created the public hysteria against the law."

Shohat said the proposal will be brought to the Knesset plenum this week for its first reading and that he will do everything possible to speed the Finance Committee's deliberations.

Full TASE report, Page 9

Rabin opposed to combat roles for women

DAVID MAKOVSKY AND ALON PINKAS

PRIME Minister Yitzhak Rabin will seek to bury a bill that would enable women in the IDF to volunteer for combat roles, according to officials in the Prime Minister's Office.

Rabin voiced opposition to the bill at yesterday's cabinet meeting. "I am totally against this. What happens if a woman falls into captivity? Who will be responsible for what happens to her?" he reportedly said. At the same time, Rabin established a ministerial panel that would explore the implications of such a move. However, Rabin left himself off the committee, even though he is the defense minister.

Both Communications Minister Shulamit Aloni and Labor Minister Ora Namir said they favor the new bill, which is being proposed by women MKs across the political spectrum.

Officially, the IDF's response to the issue of women in combat roles is that it is a social and cultural issue that will be determined by public debate. The army also says it has more than enough men to fill all combat roles.

But unofficially, the IDF reiterates the traditional reasons given in many countries to justify barring women from combat. First, it insists that a woman's role is reproduction.

It also argues that while women are biologically stronger than men, most women could not withstand the rigorous physical demands of combat.

The argument that women may become a sexual distraction for men during training, or worse in combat is also used.

Perhaps more important is the argument raised by Rabin concerning women prisoners of war. If a woman is taken prisoner, she is likely to be sexually abused. That is a moral burden most western societies are reluctant to carry.

Sarid: Pay PA a billion shekels for permanent closure

Cabinet decides closure to remain in force

DAVID MAKOVSKY

ISRAEL should consider providing substantial aid to the Palestinian Authority so it can maintain a permanent closure. Environment Minister Yossi Sarid and Education Minister Amnon Rubinstein reportedly proposed at yesterday's cabinet meeting.

The government decided not to substantially ease the closure of the territories imposed after the Beit Lid bombing.

Sarid said Prime Minister Yitzhak Rabin would discuss lifting the closure of Gaza when he meets PLO chairman Yasser Arafat at the Erez junction on Thursday.

Officials in the Prime Minister's Office said "humanitarian" exceptions, doctors for example, are being made. Palestinian produce and other goods can also enter the country, the officials said.

Peres: Closure isn't the answer, Page 2

Ron Brown: Closure economically devastating, Page 12

Sarid and Rubinstein reportedly said the aid plan could work as a substitute for Palestinians working in Israel, which would help the security situation. Deputy Foreign Minister Yossi Beilin said last night that he also supports this view.

"I propose paying the Palestinian Authority a billion shekels a year to maintain a permanent closure, while not creating insufferable human and economic misery," Sarid said after the cabinet meeting. "If it is possible to buy better security for a billion shekels and accelerate the peace process, there is no better and justified deal."

Both Sarid and Rubinstein said a "zipper policy" of closing, then reopening the territories is futile. Rabin "is not exactly enthusiastic about the idea," an aide said. Instead, he repeated his goal of reducing Israeli dependency on Palestinian labor. Approximately 50,000 Palestinians worked inside Israel before the Beit Lid attack.

Sarid, Rubinstein, and Tourism Minister Uzi Baram led the campaign for an extended closure.

"An extended closure is a necessity that cannot be avoided," Baram said. "I am against the easing of the closure and demand that security be the only criteria for its lifting... Whoever wants peace, under which the Palestinians obtain their legitimate rights, must support an unambiguous closure."

The three also believe that the closure is needed for the government to maintain sufficient public support so it can move forward with the peace process. They also support the establishment of security fence dividing Israelis and Palestinians.

A committee on separation headed by Police Minister Moshe Shaleh convened yesterday for the first time. Its recommendations are to be presented to Rabin at the beginning of next month.

The Palestinian Authority, meanwhile, denounced the continuation of the closure.

"This is a continuation of collective punishment. We regret such a decision, and it won't help implement the agreements with Israel," said PA spokesman Nabih Abu Rudeineh.

Health Minister Ephraim Sneh reportedly reminded the ministers that 40 percent of all employed Gazans worked in Israel, as did 30% of all employed Palestinians from Judea and Samaria.

Over the weekend, Foreign Ministry Director-General Uri Savir said Israel and the Palestinians plan to establish two industrial parks in Gaza, and another four in Judea and Samaria.

For the first time in many years, top security officials from the IDF, General Security Service, and police were not invited to open the cabinet meeting with their weekly report. Ministers recently decided that such reports should only be given every other week, enabling the cabinet to spend more time on economic and social issues.

Senior army officers involved in deliberations on the closure will keep pushing for its further extension, an army source said last night.

The source said the IDF recommended to Rabin last Friday that the closure be continued until the PA takes satisfactory measures against Hamas and Islamic Jihad.

However, other sources in the army cautioned against the long-term effects of the closure, noting that economic hardships strengthen Hamas.

"It's a catch-22 situation. We want the closure; we realize that de facto separation is effective. But it is also clear that Hamas and other extremists will reap the political fruits. In other words, Israel and Hamas both want the closure to continue. It is a serious predicament," a senior military source said.

Alon Pinkas and Jon Immanuel contributed to this report.

Bureaucracy leaves non-Jewish immigrants without cemeteries

THE body of a non-Jewish immigrant who died in Haifa was buried in Beersheba yesterday, after having lain in the Rambam Hospital morgue for 18 days. The body of a woman immigrant buried at the same time, had awaited burial for a week.

Yesterday two more non-Jewish immigrants, a man and a woman, died in the Haifa area. No one knows what cemetery will take them in.

Last year, almost 50 non-Jewish immigrants, all from the former Soviet Union, were buried in the Haifa area alone. Until now, Father Daniel of the Stella Maris Carmelite Church in Haifa had taken responsibility for the burial of non-Arab "Christians" in the Catholic cemeteries in the area. The Latin Church, he says, was the only institution that buried all those who had no resting place.

Then, at the beginning of 1995, the church authorities told him they did not want any more non-Catholics in the Catholic cemeteries.

"The church authorities feel that it's the government's job to bury them," he says.

Other sources familiar with the

issue say that Arab nationalism may have played a part in the church decision, with pressure on Arab Christians not to bury "Zionist" immigrants.

An interministerial committee, headed by Justice Minister David Libe'i, has been set up to deal with the problem of non-religious burial.

The committee is considering three sites, in the north, center and south of the country, but those dealing with the issue say it will take at least three years, and probably closer to five years, for adequate resting places to be found.

Until now, Daniel says, he had

HAIM SHAPIRO

never asked if those being buried had been baptized. Actually he believes that most of those being buried as Christians have no religion, since they did not have a Jewish mother, nor were they baptized as Christians.

He says there are a few places where non-Jews, who are not members of established religious communities, may be buried. Tel Aviv's Kiryat Shaul Cemetery has a section allocated for right-thinking Gentiles, as the result of an initiative by Chief Rabbi Yisrael Lau, who was then the chief rabbi of Tel Aviv, and then mayor Shlomo Lahat. The Carmiel Municipality has passed a resolution

establishing a non-Jewish cemetery with 50 places.

Uri Mor, head of the Department of Christian Communities of the Religious Affairs Ministry, says he has located room for 1,000 resting places, enough to fill the demand until the establishment of new cemeteries, in the Alliance Protestant Cemetery in Jerusalem's German Quarter.

Thus far, Mor says, the funds are not forthcoming from his own Ministry. He says that Absorption Minister Yair Tzaban had promised to provide funds for this purpose, but the Absorption Ministry has not allocated the money. The Absorption Ministry

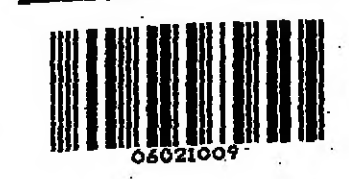
spokesman acknowledges that Tzaban met with then Religious Affairs Minister Raphael Pinhasi in an effort to solve the problem, but stresses that it is the Religious Affairs Ministry which is responsible.

Uri Regev, director of the Reform Movement's Israel Reli-

gious Action Committee, says that the High Court has recognized the right to establish such a cemetery.

Now, he says his group is petitioning the High Court to acquire an as yet unallocated section of Jerusalem's Givat Shaul cemetery.

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Two children killed in Hizbullah bombing

TWO Lebanese children were killed and at least four people were wounded, including an SLA soldier, when an explosive device was detonated in the heart of a Shi'ite village in the security zone yesterday.

Hizbullah was believed to have been responsible for the attack, although no claim was made, probably because the victims were civilians.

News agencies reported from the region that the two killed were Wadiah Abboud, 10, and his sister Rose, 16.

Three of the wounded were civilians, including Ayoub Abboud, 7, a brother of the slain children, and two other Abboud family members. An SLA soldier was also wounded.

Ayoub was so badly wounded that an IAF helicopter was requested to transfer him from Marjayoun Hospital to a hospital

DAVID RUDGE

in Israel, where he could receive the necessary treatment.

The attack was condemned as an atrocity by residents of the zone, who put the blame firmly on Hizbullah.

They charged it did not care if it killed civilians, but would not admit the fact because it would hurt its image.

News agencies quoted the mother of the victims as saying she would seek revenge.

"Hizbullah kills people, and it has killed two of my children," she mother was quoted as saying while she visited Marjayoun Hospital. "If I get my hands on any of the Hizbullah people, I will tear them to pieces."

The bomb sparked retaliatory shelling of terrorist targets north of the zone by IDF and SLA gunners. Reports from Lebanon said

most of the firing was concentrated on the outskirts of Shakra.

On Friday, Hizbullah claimed responsibility for a roadside bomb which claimed the life of an SLA security officer.

The previous day, two civilians, with no connections to the SLA, were killed when a bomb was detonated alongside their car on the road between Jezzine and Sidon. Nobody claimed responsibility for that attack, although Hizbullah was believed to have been responsible.

Late on Saturday night, there were reports that IAF helicopter gunships attacked suspected terrorist infiltrators in the Rehan region in the northeastern sector of the zone.

The aircraft returned safely to their bases, according to the reports, although there were no reports of casualties among terrorists in the area.

Palestinian Police keep mum about security measures

PALESTINIAN police have become remarkably tight-lipped about publicizing activity that might fulfill Israel's demand for tighter security.

This doesn't mean that arrests and other preventive measures are not being taken; but given the dearth of information, there is no way to know for sure.

For example, friends of Rajah and Amru Abu Sita, two brothers who are wanted for the murder of Uri Megidish nearly two years ago in Gaza, said yesterday that the two were arrested by the Palestinian Police at a police checkpoint three days ago.

But security sources in Gaza would not confirm the arrests.

Israel has long sought the extradition of the Abu Sitas. News of the arrests would certainly be a step in smoothing over the strained relations between the government and the Palestinians. But the Palestinian police seem loathe to publicize any, apparent

JON IMMANUEL

attempt to apprehend those who attack Israelis.

Hamas supporters insist this is because have really been very few arrests lately. Imad Falouji, a Hamas leader in Gaza, said only "a handful" of arrests have been made since the Beit Lid attack, compared with the many Islamic leaders arrested after the bombings in Tel Aviv and Jerusalem.

Falouji said this was a "recognition by Palestinians and Israelis that the Oslo agreement could not be saved." Last week's four-way Cairo summit "was meant to save Oslo but could not. Palestinians will continue to fight it."

But is this true? The most startling example of this official "fudging" occurred Saturday, when Jericho preventive security chief Col. Jibril Rajoub would not confirm an Israeli announce-

ment that his men had foiled a car bombing in Jericho.

Rather than accepting the compliment, Rajoub told the Post yesterday, "I don't understand the wisdom of talking about such incidents, either for the Israelis or the Palestinians."

Rajoub indicated that he would not speak publicly on the matter, because "it is not important what Israelis are saying, but what the Palestinians say," he said.

There may be at least one reason for Rajoub's reticence. Though the foiling of a car bomber might win Rajoub points with Israel, an attempted launching of a car-bomb attack from Jericho is in fact a serious challenge by Islamic extremists to the PLO's authority.

The extremists, after all, had promised not to embarrass the Palestinian Authority by attacking Israelis from territory under Palestinian jurisdiction.

Arab foreign ministers meet in Cairo

CAIRO (Reuters) - The foreign ministers of Egypt, Syria and the six conservative Gulf states met in Cairo yesterday to discuss security and nuclear disarmament.

The ministers broke the Ramadan fast together at the Egyptian Foreign Ministry and then sat down for a first formal session of talks.

Bahrain's minister, Sheikh Mohammad Bin Mubarak al-Khalifa, held an open session that peace with Israel was a strategic choice but peace required Israeli

withdrawal from the Golan Heights, south Lebanon and other occupied territory.

He said the eight Damascus Declaration states - Egypt, Syria, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates - needed to work together closely to face unspecified challenges.

Arab diplomats said the Egyptian hosts would take the opportunity of the meeting to press their Arab allies again to join them in opposition to signing an

extended Nuclear Non-Proliferation Treaty unless Israel signs too.

"Arabs have to be ready to face the issue. We will explain to them our position, how serious and dangerous the current situation is," one Egyptian official told Reuters.

"Of course, we hope to take a common and coordinated position because this issue is not simply an Egyptian-Israeli problem. It is a Middle Eastern and regional one," he added.

Peres: Closure won't stop terrorism

HILLEL KUTTLER
WASHINGTON

CLOSURE of the territories "is not the answer" to terrorism and a "better options" must be found, Foreign Minister Shimon Peres said yesterday.

Speaking to journalists at the start of a week-long US visit, Peres maintained that "the number of terrorist attacks hasn't increased so much; what's increased is the number of victims." He attributed the increase to "new weapons" being used by the terrorists.

One solution to terrorists entering the country is to transfer branches of Israeli, American, and European companies to the territories, rather than allow areas' residents in to Israel, Peres said.

He also asserted that government policies will not be dictated by public opinion polls showing a reduction in support for the peace process.

He took issue with Housing Minister Binyamin Ben-Eliezer's assertions here last week that support for the peace process had "fallen to zero."

"I don't know anyone who has a majority in his pocket," Peres said prior to delivering a speech to a gathering of the National Jewish Community Relations Advisory Council.



Foreign Minister Shimon Peres meets his Omani counterpart, Yusuf Bin-Alawi, at King Hussein's Akaba palace. (AP/GU/Scoop 80)

Ties with Oman expected in 'few weeks'

DAVID MAKOVSKY

ISRAEL hopes to establish ties with Oman in the next "few weeks," senior officials said yesterday, in the aftermath of Foreign Minister Shimon Peres' meeting with his Omani counterpart, Yusuf Bin-Alawi, at King

Hussein's palace in Akaba Sunday night.

Officials believe that either Oman will agree to establish a liaison office or decide to have a third-country embassy provide

aspirations for an interest section.

Israel anticipated the establishment of ties last month, but delays occurred, apparently due to the Arab summit in Alexandria summit that signaled slower nor-

mization with Israel.

Likud leader Binyamin Netanyahu has said that Bin Alawi first visited Israel in 1987. Ongoing security contacts between the two countries date back to at least the mid-1970s.

Savir: Summit sent a message

DAVID MAKOVSKY

LAST week's Cairo summit has opened an array of possibilities for cooperation between Arabs and Israel, according to Foreign Ministry Director-General Uri Savir.

The summit, he added, also sent a message to Syria that it should not dither, since the Middle East peace train has "long left the station."

In an interview before leaving for the US with Foreign Minister Shimon Peres yesterday, Savir said he hoped the summit encouraged Damascus to make peace with Israel, as Jerusalem is not bent on isolating it.

"Rapprochement of the four [Israel, Jordan, Egypt, and the Palestinians] is not a negative message, but rather an encouraging one," he said. "Syria would clearly not be a fifth wheel, but would have its own unique contribution toward a comprehensive peace. While Syria's role is of the utmost importance, it is clear that the train of peace has long left the station."

Savir dismissed those who said that the Cairo summit was designed to shore up Rabin's domestic support, and therefore the picture was all that was important. "This was not a photo opportunity, but a historic opportunity for progress," he declared.

He said the summit has paved the way for a series of events in the "days and weeks" ahead with both the Gulf and Maghreb states, which will reflect that those countries are "redefining their national interest" to include steps toward normalization with Israel.

Savir said the summit served to correct an impression that an Arab summit in Alexandria a month earlier signaled a go-slow approach toward Israel.

At the same time, Savir - one of the negotiators of the Oslo accord - said that none of the possibilities for regional cooperation could be possible if it was not for the breakthrough with the PLO.

He admitted, however, that the Cairo declaration has its limits. While it is assumed that Israel has intelligence cooperation with each of the parties present, Savir made it clear that he did not think a multilateral approach toward terrorism is possible, since openly cooperating with Israel on such an issue is too sensitive.

He said Israel will continue to fight terror, but stopping the peace process is not the way to do it.

Savir said Israelis should be sensitive both in how they define the perpetrators of terror, and how they are labeled. He said Israel distinguishes between those who try to kill Israelis and a legitimate political opposition, suggesting a key distinction between Hamas's military wing Iz-zadn Kassam and Hamas itself, however repugnant its ideology.

New York senators lead battle to have embassy moved to Jerusalem

HILLEL KUTTLER
WASHINGTON

the idea of moving the US Embassy.

The effort comes amid rumors in Washington that Republican lawmakers might soon pursue legislation to mandate such a move.

Alfonse D'Amato, a Republican, and Daniel Patrick Moynihan, a Democrat, said the administration should start taking steps immediately to move the US Embassy in anticipation of the conclusion of final status Israeli-Palestinian negotiations in four years.

"We think we should begin now to ensure such a move no later than the agreement on permanent status takes effect, and the transition period has ended, which according to the Decla-

ration of Principles will be May 1999," they wrote in a letter to their congressional colleagues.

They concluded by saying they expect to hear from the administration what it intends to do on the embassy question.

The letter, which will be sent to Secretary of State Warren Christopher, acknowledges that Jerusalem is a sensitive issue but says that current US policy raises the expectations of Palestinians and is therefore unhelpful to ultimate negotiations.

"Israel is the only nation in which our embassy is not located in the other country's capital," the senators state.

Martin Indyk, US ambassador-designate to Israel, warned at his confirmation hearing Thursday that Congress should not force the administration's hand, because this issue has the potential to "explode" Israeli-Palestinian talks.

UN human rights investigator quits, warns of possible 'explosion'

GENEVA (Reuters) - The UN's human rights investigator in the territories announced his resignation over the weekend, saying it was more important to back the fragile Middle East peace process than denounce abuses.

Rene Felber, a former Swiss foreign minister and president, also appealed to the parties in the region to avoid a collapse of ne-

gotiations which he said would lead to an "explosion" there.

He was addressing the world body's Human Rights Commission, after issuing a controversial report which shocked the 53-

member body, with a plea for it to terminate the investigation it put in his hands two years ago.

"I am afraid the peace process is crumbling and the Israeli government will fail."

Memorial service for Widad van der Hoeven

A MEMORIAL service for Widad van der Hoeven, who died last Thursday at 56, will be held today, 4 p.m., at the Baptist Church, 4 Narkis St., Jerusalem.

Born in Sudan, Widad was a Christian Arab who studied theology at the London Bible College in England. There, she met her husband Jan Willem van der Hoeven. In 1968, the couple settled at the Garden Tomb. The couple helped found the International Christian Embassy, which van der Hoeven serves as spokesman.

Widad is survived by her husband, a son Jan, an daughter Farida, and a grandchild.



Widad van der Hoeven (International Christian Embassy)

The Management of The Jerusalem Post

deeply mourns the passing of

WIDAD VAN DER HOEVEN

wife of Jan Willem van der Hoeven

Together with all who knew her, we mourn the devastating loss of

NAOMI NECHAMA COHAIN

and offer heartfelt condolences to

David and Cynthia Cohain and family.

Dr. Elliot and Patricia Dobin
Dr. Neal and Jody Marder

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150

Dinitz denies defrauding the Jewish Agency

EVELYN GORDON

FORMER Jewish Agency chairman Simcha Dinitz yesterday denied that he had intentionally defrauded the agency by charging personal expenses on agency credit cards, saying the agency chairman, like the prime minister, was never expected to submit financial reports.

Dinitz is on trial for fraud and breach of trust in the Jerusalem District Court, for allegedly charging \$22,000 worth of personal expenses to the agency. Yesterday, he took the stand as the first defense witness in the trial.

Though he had charged personal expenses to the agency, Dinitz said, he had always assumed these expenses would be deducted from his salary if he did not specifically claim them as institutional expenses.

"I was certain any expense not claimed as institutional [would be charged to me]," he said. "I never entered my head... that [the finance department] was doing the opposite with me... and I was never informed of this."

Though the opposite procedure was the norm with ordinary agency emissaries, he added, "I never saw myself as bound by the technicalities of the ordinary emissary."

The reason for this, he said,

was that the chairman's salary and other work conditions were explicitly equivalent to those of the prime minister.

"The prime minister never dealt with... receipts... or reports," he said, noting that he had had ample opportunity to observe prime ministers' behavior during his career. In addition to heading the Prime Minister's Office under Golda Meir, he dealt with three different prime ministers while he was ambassador to the US.

"I know what is expected of the prime minister from an administrative standpoint and what isn't," he said. "It never entered my head that [someone equivalent to] the prime minister would spend time filling out forms... because I saw that no [prime minister] ever did!"

This exemption from record-keeping is necessary for the agency chairman, because of the great responsibility and sheer burden of work the job entails, Dinitz said. In addition to being chairman of the agency and the World Zionist Organization, he was required to fill some 19 other posts, such as the chairmanship of various educational committees.

"This [exemption]... is not a perk," he said. "I saw it as an attempt by the organization... to release [the chairman from certain tasks]... so that he could concentrate on the matters he is responsible for... A man cannot fulfill all the jobs assigned to him if he is not released [from minor things]."

To prove that the parallel to the prime minister was accepted in the agency, defense attorney Uri Wagman submitted several documents, such as a letter from agency board of governors chairman Mendel Kaplan, stating that the chairman's conditions of employment were equivalent to the prime minister's.

Wagman also submitted a letter from the agency comptroller criticizing Dinitz's predecessor for not submitting expense reports, along with the response of the agency's finance department, which said the lack of reporting was customary and perfectly acceptable. The comptroller must have been convinced, Dinitz said, because this criticism did not appear in her final report for that year.

In response to a question by

Judge Shalom Brenner, Dinitz admitted that he was unaware of this letter until the police investigation began. However, he said, he knew in general that this was the accepted procedure, because of the parallel with the prime minister.

No one had ever told him otherwise, or ever discussed his rights and duties with him at all, he said.

"I was asked to produce only two receipts in five years," he added.

Another report submitted by Wagman, by the agency's audit committee, said advances should not be given for a trip until any debts from the last trip had been repaid. Again, Dinitz said, it never occurred to him that this procedure was not being implemented in his case.

Dinitz also denied ever receiving the form agency finance director Zvi Barak said he had drawn up for reporting personal credit card expenditures.

Dinitz said that despite the parallels, he had actually been more sparing of the public's funds than most prime ministers.

"I never once took any member of my staff abroad with me," he said.

Dinitz's testimony is to continue today.



Former Jewish Agency chairman Simcha Dinitz (left) and his lawyer Uri Wagman brush past photographers outside the courtroom in Jerusalem yesterday. (Isaac Harari)

Immigration up 4%

BATSHEVA TSUR

IMMIGRATION was up 4 percent last year as compared with 1993, the Central Bureau of Statistics said yesterday.

A total of 79,800 people immigrated last year, 68,000 of them (85%) from the CIS. Of these, 7,000 were tourists who changed their status to immigrants.

Some 633,000 people have immigrated to Israel over the past five years, the bureau spokesman said. Some 86% came from the CIS, or about 545,000 people.

Last year, 4,500 immigrants came from countries in Europe other than the CIS (4,200 in 1993); 3,600 from the Americas (3,300 in the previous year); 1,700 from Asia (no significant difference), and 1,900 from Africa (as opposed to 1,400 in 1993).

The breakdown according to specific countries was: 2,100 - US, 1,500 - France, 600 - England, 600 - South Africa, 1,200 - Ethiopia (as compared with 900 in 1993).

The demographic composition was similar to the two preceding years: 21% were aged under 14, 66% were 15-64 and 13% were 65 and above.

Deadlock over Dinitz successor; elections may be postponed

BATSHEVA TSUR

THE deadlock over a successor to Simcha Dinitz has not yet been resolved and there were indications yesterday that the election of a new Jewish Agency chairman would be put off until the summer.

Four members of the agency's "advise and consent" committee are due to meet with Prime Minister Yitzhak Rabin next Tuesday to continue deliberations on the two Labor Party candidates - acting agency chairman Yehiel Leket and MK Avraham Burg. However, sources said it was unlikely that the committee members would change their earlier decision to withhold consent from both of the two current runners.

The 10-man committee convened in New York two weeks

ago and both Leket and Burg appeared before its members to present their programs. But the board members were reportedly unimpressed, finding neither candidate suitable. This, despite a letter from Prime Minister Yitzhak Rabin asking that they give consent to both candidates and allow Labor's central committee to vote democratically for its choice.

Rabin then met with Board Chairman Mendel Kaplan and it was decided that representatives of the committee would come to Jerusalem next week, before the board convenes, for last-minute attempts to work out a solution.

Nevertheless, the Labor Par-

ty's central committee will have to delay its vote on its choice for chairman, originally set for February 16, just before the Board of Governors convenes in Jerusalem. Members of the party body are now tentatively scheduled to cast their ballots three days later, if by then agreement is reached between the Israelis and the fund-raisers on a candidate acceptable to both sides.

If the board should decide to play for time, however, Labor would have the possibility of naming additional candidates who would be more acceptable to the fund-raisers, a source said.

Meanwhile, Leket, who was appointed acting chairman a year ago, will most likely continue in the temporary position until the summer.

El Al, Royal Jordanian reach tourism deal

HAIM SHAPIRO and news agencies

EL AL and Royal Jordanian Airlines have agreed on joint promotion of tour packages for tourists from the US, spokesmen of both companies said yesterday.

"We have agreed to honor each other's tickets," El Al spokesman Nachman Klieman said.

In Jordan, Nader Dahabi, chief executive of Royal Jordanian airline, told the state-run Petra news agency that tourists coming on one airline would be able to de-

part on the other, using a joint ticket.

Dahabi also said Israel has agreed in principle on air corridors for Jordanian passenger jets to use in overflying Israel en route to Europe. However in Israel, Transport Ministry officials said that no agreement has yet been reached.

Israel has demanded that the Jordanian planes keep an altitude of 11,000 feet, saying that anything lower would interfere with air force training flights. The Jo-

danians say such an altitude would deprive Royal Jordanian of fuel savings offered by the shorter distance across Israel to Europe.

Dahabi said Israeli offered concessions on "free ascent and free descent" for Jordanian flights on "specific days during the week."

"This issue is still under discussion and we hope to reach an acceptable accord as soon as possible," Dahabi said.

Bill to outlaw death penalty nixed by ministerial committee

EVELYN GORDON

PRIME Minister Yitzhak Rabin opposes a bill to outlaw the death penalty, saying the current security situation makes it preferable to leave the option of a death sentence open.

Currently, civil courts cannot impose the death penalty, but military courts can. In practice, however, though the military

courts have invoked the death sentence a few times, it has never been carried out. The appeal on the most recent death sentence case - that of the Afula bus bomber - is still pending, but the appellate court is widely expected to reduce the sentence to life imprisonment.

Rabin's opposition was in response to a bill by Avraham Burg (Labor), which was discussed by the ministerial committee on legislation yesterday. Burg's bill would outlaw the death penalty entirely, even in military courts.

Thanks to the opposition of Rabin and the security forces, however, the committee decided to oppose the bill.

Even Justice Minister David Liba'i, a long-time opponent of the death penalty, agreed that this was not "the appropriate time" to reopen the question.

Requiring sign-up for 056 is legal

EVELYN GORDON

CUTTING off pornographic 056 phone service to anyone who does not explicitly ask to be connected is legal, even though it infringes on the suppliers' freedom of occupation, because the infringement is for an appropriate purpose and is not greater than necessary, the High Court of Justice said yesterday.

The court was giving its reasons for rejecting a petition against this move by two 056 suppliers, Telad and Bracha and Meir. The petition was thrown out on January 17, but the reasons were published only yesterday.

Justices Gavriel Bach, Theodor Orr and Ya'acov Kedmi, said that Bezek has received some 10,000-15,000 complaints a month about the 056 services, whereas none have been received about foreign purveyors of porn. Most of these complaints are from concerned parents, and experts have confirmed that there is reason for concern, the justices noted.

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NEWS IN BRIEF

Ministry must explain gender difference

The High Court of Justice yesterday gave the Religious Affairs Ministry 45 days to explain why it funds men's religious studies at a much higher rate than women's. The order was issued in response to a petition by Nishmat, a Jerusalem institute for women's Torah study. The petition said the ministry funds men at a rate up to 400 percent higher than its rate for women. In addition, men are funded until age 65, women only until age 30.

Rabbinate to answer on private weddings

The High Court of Justice yesterday gave the rabbinate 45 days to explain why it should not recognize the marriage of a kohen to a divorcee in a private ceremony. Jewish law states that while kohanim are not permitted to marry divorcees, such marriages are retroactively recognized once they occur. However, the rabbinate has often refused to do so to discourage the phenomenon. The High Court, however, has ordered several such marriages recognized in the past.

Teacher with AIDS will remain in class

The Education Ministry decided yesterday that Patrick Levy, an AIDS carrier who is a first-grade homeroom teacher in Tel Aviv's Gavriel School, can remain in his post until the end of the school year. At the same time, parents who insist will be allowed to transfer their children into the school's parallel first grade class, which will be given extra teaching help if more than a handful of children are transferred.

The revelation late last month that Levy is an AIDS carrier made the school the subject of national media attention, which itself caused a great deal of consternation among parents.

Turkey offers to sell water

Turkey has proposed sending water to Israel in huge tankers. A proposal sent to Water Commissioner Gideon Tsur suggests supplying 60 million cu.m. of water a year, about a tenth of annual household needs. Tsur said yesterday that importing water is one of the alternatives being considered to increase the country's water supply, but that Turkey's asking price of \$1.22 per cu.m. is far too high.

Court rejects class action benefits suit

Jerusalem District Court yesterday rejected a request by three residents of the territories to recognize their request for social benefits on behalf of all residents of the territories who work in Israel.

Judge Ya'acov Bazak ruled that it was impossible to estimate the amount of money involved, and recommended that residents file petitions in small groups.

Winning cards

In yesterday's Mifal Hapayis daily Chance card draw, the lucky cards were the nine of spades, seven of hearts, nine of diamonds, and seven of clubs.

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Prosecutors try to trash O.J.

LOS ANGELES (AP) — By the time prosecutors are through with murder suspect O.J. Simpson, they hope his football triumphs will be buried and jurors will no longer remember the heroic feats, the dazzling smile and the charm.

The destruction of Simpson's image as an American football legend and actor tops the prosecution's agenda in his murder trial. And legal experts say they may have accomplished their goal in the first week of testimony.

In opening statements, Deputy District Attorney Christopher Darden told jurors: "It is not the actor who is on trial here. ... There is that other face. And that is the face we will expose to you in this trial, the other side of O.J. Simpson."

The athlete's one-time friend, Ron Shipp, may have summed up the situation best when he stared at Simpson across the courtroom and sighed. "This is so sad. O.J. This is really sad."

Here was Simpson, forced to sit grumpy silent as Shipp made him out to be a wife batterer and narcissist who used his friends as "servants" to enhance his own ego. He said Simpson confided dreams of killing his wife.

And here was Simpson's lawyer, Carl Douglas, accusing the friend of being a lowlife, a hanger-on and a liar. It was not pretty. And it was only the beginning.

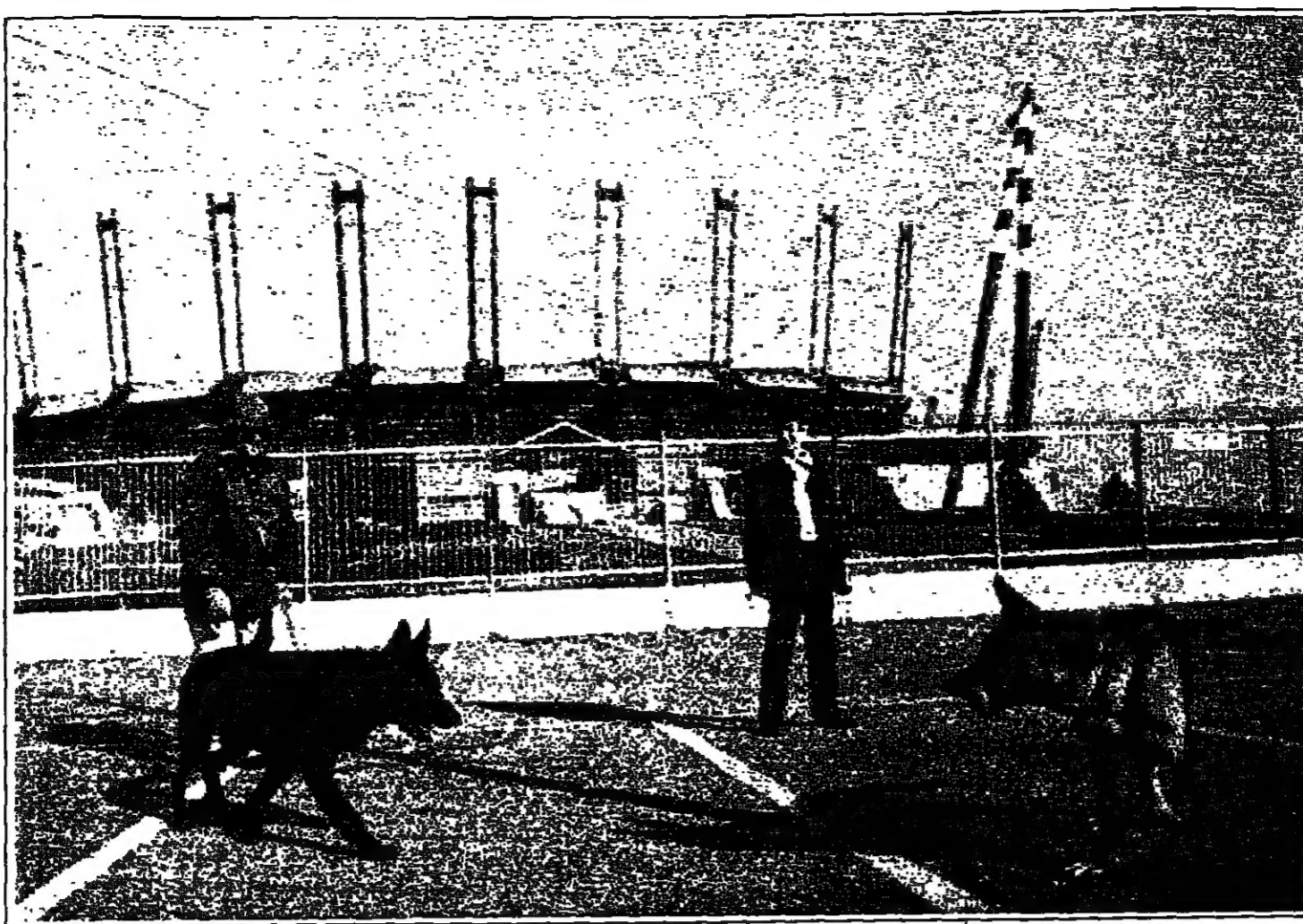
As Simpson shook his head in dismay, his ex-sister-in-law portrayed him as a cruel, violent man who not only abused his ex-wife but humiliated her in public by grabbing her crotch and declaring, "This belongs to me."

Why the attack on Simpson's character before any other evidence is presented?

"The prosecution made the judgment that their greatest vulnerability was that jurors enamored with the public persona of O.J. Simpson would not evaluate incriminating evidence if they weren't disabused of those impressions," University of California at Los Angeles (UCLA) Law Professor Peter Arellano said. "They had to destroy O.J.'s character and paint him as a very violent, menacing person."

Only then, he said, would the jury be able to evaluate a patchwork of physical and scientific evidence which prosecutors believe will convince jurors of guilt.

Their circumstantial case, likely to be savaged by defense attacks on police methods and DNA analysis, can succeed only if jurors believe they have been tricked by Simpson all along, he said.



Two men walk their dogs on a rare day of peace outside Turin's Stadio della Alpi yesterday. All sports activities, including yesterday's soccer action, were suspended in Italy after a soccer fan was stabbed to death in Genoa last weekend. (Remex)

Bosnian Croats, Moslems take on mediator to resolve differences

News agencies
SARAJEVO

BOSNIA'S warring factions agreed to open roads across Sarajevo's airport to civilians as the people of the besieged city marked the first anniversary on Sunday of a market massacre that galvanized international will to intensify peace efforts.

In another positive step, Moslems and Croats agreed in Munich, Germany, to appoint an international mediator to strengthen their fragile confederation in Bosnia, a US official said.

The accord on binding arbitration adds another building block for peace if Bosnian Croats and Moslems decide how to make their federation function and smooth growing differences.

US Assistant Secretary of State Richard Holbrooke, who chaired a meeting of the two sides with the five-nation Contact Group on former Yugoslavia, said Washington was pleased with the pact.

"We all agreed that a democratic, multi-ethnic federation is essential to a successful outcome of the peace process," Holbrooke said. "For centuries, Bosnians enjoyed ethnic coexistence: it is what most Bosnians want today."

The contact group comprises the United States, Russia, Britain, France and Germany. But the agreement held flaws. There appeared no way to enforce the arbitration de-

spite the agreement that it be binding. And the pact did not make reference to the Serbs, widely deemed the major aggressors in the almost three-year-old Bosnian war.

Agreement on arbitration was part of a nine-point plan to support the federation, which was has been plagued by disagreements since the United States brokered it in March 1994.

The arbitrator is to be appointed by mutual agreement of the two sides, and either side can bring up an issue for arbitration.

But one year after Sarajevo's horrific marketplace massacre, families of the victims took little comfort yesterday that the attack spurred the international action to halt shelling of the city.

Slobodanka Rehar lost her 21-year-old son when a mortar bomb struck at midday in the city's crowded Markale marketplace last February. She said she is haunted by the knowledge that it may have been the last day of shelling attacks on Sarajevo.

"People usually say time heals all wounds. But it has been one year and the pain is even worse, because that was the last shell," said Rehar, who visits her son's grave every day.

"What was the point?"

The 120 mm mortar bomb devastated the marketplace in Sarajevo, killing 68 people and wounding some 200 in the worst atrocity of Bosnia's war.

The attack led outraged Western governments to issue an ultimatum, threatening NATO air strikes unless the Bosnian Serbs withdrew their heavy guns on hills surrounding the city centre.

A UN investigation failed to establish who fired the mortar.

The NATO ultimatum put an end to the relentless Serb shelling of the Bosnian capital although Serb forces have occasionally fired shells or anti-tank rockets into the city to keep up pressure on the Moslem-led government.

A new truce has reduced sniping around the city since it took effect on New Year's day, and Sarajevo now has at least some water and gas supplies, as well as a rationed amount of electricity every day.

But Sarajevo remains under siege, dependent on UN relief supplies flown into the city and a narrow tunnel dug under the airport providing the only route in or out of the government-held city centre.

Few people in the city are optimistic that the war in Bosnia is near an end. There were no official ceremonies marking the anniversary.

Russian forces pound Grozny

GROZNY (Reuters) — Russian forces fired a heavy artillery bombardment on the smothered Chechen capital yesterday as a large armored column moved towards the city, still resisting Moscow after eight weeks war.

The pounding, which made the ground shake several km away, began at 1 p.m. The Russians earlier shelled the southern suburb of Aldy, where Chechen fighters were holding firm.

Correspondents saw a Russian armored column, including tanks and armored personnel carriers, moving towards Grozny from the direction of Samashky, 30 km to the west.

One Chechen fighter who had been in action in southwest Grozny said his group was pulling back after losing 18 men in the morning alone. He said they had come under sustained attack from Russian Grad multiple rocket launchers.

A Russian government statement said the Chechens were still putting up "fierce resistance" in parts of Grozny to give the forces of rebel leader Dzhokhar Dudayev time to set up defense lines elsewhere in the ruined city.

It also said Russian forces killed 350 Chechen fighters and captured 10 armored vehicles on Saturday. Similar claims have proved exaggerated in the past.

The Russian forces made loudspeaker announcements calling on Chechen fighters in the southwest of the city to lay down their arms, saying the army would otherwise not be responsible for the consequences.

But the rebels, who shot down a Russian fighter-bomber on Saturday, vowed to fight on despite being hugely outgunned and outnumbered.

Russian air power has had a devastating effect during the campaign, with many civilians killed in bombing raids on Grozny and other Chechen towns.

The shooting down of the plane, which the Chechens say they hit with a standard anti-aircraft gun, raised a prospect of reprisals.

Previous attacks by Chechen irregulars on the Russians in the small towns and villages have met with a brutal response.

Itar-Tass quoted military sources in Nazran in the neighboring region of Ingushetia as saying Russian forces began an assault at dawn on the village of Yermolovka, 15 km southwest of Grozny.

In an effort to block the rebels' freedom of movement, Russia has been tightening its grip on the remaining open roads south and west of Grozny.

Peru-Ecuador cease-fire talks break down

RIO DE JANEIRO — Cease-fire talks on the border conflict between Peru and Ecuador broke yesterday without agreement amid reports that troops from the two sides had clashed again.

The skirmishes occurred in the jungled mountains along the border 350 kms southeast of Quito, Ecuadorian officials said.

They described the clashes as of "lower intensity" than previous fighting and said they had no information on casualties.

Peruvian officials had no comment on the reports. Peru sent soldiers experienced in fighting Maoist guerrillas to the disputed region last week.

The negotiators from Peru and Ecuador had earlier announced they had reached agreement in principle to end the border conflict and set up a demilitarized zone.

The accord was contingent on the presidents of both nations giving final approval to the details.

Ecuador had agreed to a simultaneous withdrawal of troops but Peru wants the Ecuadorians to withdraw first, said Ecuadorian spokesman Santiago Aguilar.

The mediators in the conflict — representatives of Argentina, Brazil, Chile and the United States — were heading back to their capitals to continue working on a cease-fire from there, negotiators said as the talks broke down.

"I prefer not to think of the talks as a failure but rather as a preparation for more complete understanding and what we all hope will be a cease-fire and a permanent peace," said Sebastian de Rego Barros, Brazil's acting foreign minister and chairman of the talks.

In a two-page statement issued at a final news conference, the mediators said the talks were ending because it was taking too long for Ecuador and Peru to consult their capitals.

The mediators had drawn up a plan that included an observer mission, the separation of forces and the creation of a demilitarized zone. Both Peru and Ecuador had accepted the observer mission, the statement said.

US children play with lethal weapons

SAN JOSE, Ca. (AP) — A 13-year-old boy is accused of spiking his science teacher's coffee with a mix of chemicals the teacher had warned could kill with a single drop.

Another student at Ida Price Middle School told the teacher not to drink the coffee just as she was about to sip it, police said.

Patrice Stabile told the class a few months ago that the mixture, Benedict's solution, was potent enough to kill a person with one drop, police said. Poison Control officials said the chemical is not fatal, but could make a person sick.

The solution, which contains copper sulfate and potassium, is used to detect sugars in science experiments.

The boy is being held in a juvenile detention center, charged with assault with a deadly weapon.

In Maryland, police took into custody a five-year-old boy after he took a loaded semi-automatic handgun to his elementary school and showed it off to his classmates, police said yesterday.

A teacher at the school in Prince George's County, outside Washington D.C., confiscated the .380 calibre weapon after she saw the boy showing it to a group of other students in the back of a classroom, a police spokeswoman said.

China: US not our only market

News agencies
BEIJING

CHINA sounded a new note of defiance yesterday in its copyright dispute with the United States but analysts generally believed an all-out trade war would be averted.

"This is nothing terrible," Foreign Trade Minister Wu Yi told reporters when asked if Chinese exporters would suffer from \$1.08 billion in US import tariffs announced on Saturday.

China can simply turn elsewhere, he said.

"There are countless markets abroad for Chinese products. This is nothing that we cannot deal with," said Wu, regarded as one of China's toughest leaders.

China answered Washington with carefully aimed counter-measures, saying it had no choice but to protect its sovereignty and national dignity.

It said the door to new talks was not closed, but Wu gave no indication they would take place soon.

"Other countries are happier about this," Wu said in an apparent reference to other partners

willingness to fill any void resulting from a downturn in Sino-US trade.

In what may have been less than a coincidence, the foreign trade ministry announced that China's trade with Latin America soared 27 percent in 1994 to \$4.7 billion and that "still better performance is expected" in coming years.

Both sides have held back from an immediate trade war, however, ordering that the tit-for-tat sanctions not take effect until February 26 — leaving three weeks' time to strike a deal.

In 20 months of talks that collapsed last week, Washington pressed Beijing to halt rampant bootlegging of US recorded music, movies, computer software and other copyrighted property.

In Paris, the daughter of Chinese leader Deng Xiaoping said yesterday her father is in good health for a 91-year-old man but

China's destiny is already in the hands of a new team.

Deng Maomao, also known as Deng Rong, said she hoped that foreign nations would begin to shift their attention more to her father's successors. She is Paris to promote her book, *Deng Xiaoping My Father*.

"He is 91 years old. He is in good health. But obviously he is aging," she said in an interview on French television.

"If he were in very bad health, I would not have been able to come to Paris."

Asked why he did not appear on television recently, she replied: "Mr. Deng did not appear on television because there is already a team of successors ... who are entering a transition period of political direction. Mr. Deng is already retired."

"The destiny of China is now in the hands of the new team," she said, adding, "I hope our foreign friends can show more concern about the new team."

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A theater blooms in the desert

HELEN KAYE

IT'S right there in small print underneath the name: The Negev Theater, a theater for community involvement. "We want people involved with theater from kindergarten to senior citizens," explains the theater's founder and artistic director, Shmuel Shilo, "and our repertoire deals with contemporary issues."

Shilo, 65, is a friendly, energetic bear of a man whose face is dominated by a pair of bushy eyebrows. He looks like a pioneer from the old Zionist posters. He is a pioneer, an unadulterated idealist, traits that led him to establish the Negev Theater seven years ago.

"I don't kid myself that I'll ever bring Tel Aviv to the Negev," he says, "but at least I can make a real theater center for the area, so that people in all the arts will have an outlet."

Actually, he says, he established the theater mostly "to stop the hemorrhage of our kids to the cities. We started with three ac-

tors and one play. Now we have a company of 16 and right now we have 18 different productions going."

These range from *Perfect Peace*, Penina Gen's adaptation of the novel by Amos Oz, to *Tuvia the Milkman* (which Shilo directed and in which he plays the title role), *Gemini* and *A Broom in the Clouds*, among that half-dozen productions aimed at kids.

Although the theater performs all over the country, the Negev is its main constituency. Last year it did 240 shows, of which about 50% were on its home turf. Shilo estimates that they played to some 55,000 people, of the area's population of some 300,000.

THIS YEAR the theater's total budget is NIS 838,000, of which only NIS 122,000 comes from the

local councils. The rest is earned income. This is a considerably higher ratio of self-support to subsidies than the rest of the country's repertory theaters, which get about 45% of their budgets from public funding.

Headquarters and home base is the auditorium of Eshkol, about 25 minutes from Beersheba. The Eshkol, Merhavim, and Sha'ar Hanegev regional councils fund the theater. There's not much space, and every time it needs to send a show somewhere, a lot of furniture moving goes on to get at the necessary set, costumes and props.

"We really need a warehouse but that's NIS 50,000-plus that we don't have," says Shilo. It took him two years to get

here from the Ukraine. He arrived in 1946 and in 1949 became a member of Kibbutz Tze'elim, where he still lives. He started acting at 16 and began directing not much later. He graduated from the Tel Aviv University drama department, where his teachers included Hy Kalus and the late Peter Fry, who greatly influenced Shilo. The improvisation troupe he created and named for Fry performs at schools, youth centers and army camps all over the country.

On a recent, chilly winter morning the unheated hall at Eshkol brings out goosebumps, but there's an electric heater in the rehearsal room, up a flight of steep stairs at the rear of the stage.

"Mind you, economic conditions have improved," says 36-year-old Meir Vardi, a member of nearby Kibbutz Gvulot. "In the beginning we were real pioneers."

Vardi has been with the Negev Theater almost from the beginning. So has Sara Cohen, 32, who joined in 1988.

But the truest pioneer is Therese Lev who joined when the theater was still The Negev Workshop.

She's 68, immigrated to Kibbutz Mishmar Hanegev from Paris in 1949 and fulfilled a lifelong dream of becoming a professional actress when she graduated the Kibbutz Seminary at age 47.

THEY ALL ridicule the idea that the Negev Theater is a haven for actors who can't get a job with

the country's repertory theaters. Vardi, who teaches musical theater at Ramat Gan's Beit Zvi Drama School, says, "I'm connected to this region, and, especially during the first five years, we felt that we were creating something new. I didn't even try to get into the reps."

Cohen, an Ofakim native who lives in Tel Aviv, and who won a prize for *The Dress* at the 1994 TheaterNetto, says that "there's a lot of showing off at other companies that has more to do with power games than theater. Here we're very supportive of one another."

"Not that it's a commune," interrupts Lev, "but we respect each other. There are no prima donnas here. We all do everything and that includes being stagehands."

They all agree that it would be difficult to imagine the theater without Shilo, because "it's his creation. He's always very optimistic, and that inspires us."

His pas de deux with cellos

HELEN KAYE

NATURALLY, the eight cellists won't move from their seats during tonight's performance of Hector Villa-Lobos's haunting *Bachianas Brasileiras* No. 5. But, thanks to choreographer Domy Reiter-Soffer, no one else on stage at the Tel Aviv museum will be stationary.

Two dancers will be part of the performance, along with the cello corps and solo soprano.

Reiter-Soffer chose the piece because "it's deeply emotional, a journey from depression to optimism. The singer moves among and with the dancers and all relate to the cellos."

It's the kind of theater arts integration in which he so strongly believes. "Every creator should read music, have studied theater and design, or at least be well acquainted with both. We need to know what we're talking about, what we want."

Reiter-Soffer, 45 and a seventh-generation Israeli, is an example of such versatility. He's been a dancer and an actor. He choreographs, directs, paints and often designs. Last year alone he revived his own *Equus* for the Dance Theater of Harlem, created *Orpheus* to rock music for Canada's Alberta Ballet, and directed *Mary Makebelieve* at Dublin's Abbey Theater, which won him Best Play and Director awards. He was movement coordinator and period advisor on *Restoration*, a movie about Charles II (1660-85). And all that doesn't include the exhibition of his paintings last December in a London gallery.

It all started because he was a shy little boy with a speech impediment. "My parents got me into the arts to bring me out [of myself]. I studied theater, dance, speech, even art and the piano. I never remember playing with children because I was always having a lesson of some kind."

At home in Tel Aviv he studied with noted ballet teacher Mia Arbatova, and then at 14 went on scholarship to the Royal Danish Ballet school; from there he went to New York to study at the Martha Graham school, among others. He studied theater with the great Fanny Lubitch and spent a couple of years acting at London's Royal Court Theater. He danced all the while, first in London and then with the Irish National Ballet, where he stayed to choreograph and eventually became artistic adviser, a connection that lasted until 1989.

In 1968 Bat-Dor artistic director Jeannette Ordman saw him dance in London and thus began another connection that has lasted to this day. Reiter-Soffer has created some 26 ballets for Bat-Dor over the years.

His output altogether is pretty phenomenal — some 30 ballets over the last decade. It also pleases Reiter-Soffer that he's chiefly known as a choreographer who "knows how to spin a yarn," as *New York Times* dance critic Anna Kisselgoff said of *Equus*.

Based on the play by Peter Shaffer, *Equus* is a story ballet, as are many of Reiter-Soffer's works.

"Not all my ballets are narrative, but I don't do abstract ballets," he says. "They don't interest me, and really abstraction doesn't exist. The fact that two people dance together means something."

Mr. Mom: Arnie's fullest role

FILM REVIEW
ADINA HOFFMAN

JUNIOR

Directed by Ivan Reitman. Screenplay by Kevin Wade and Chris Conrad. Hebrew title: *Junior*. 104 minutes. Parental guidance suggested. English dialogue, Hebrew subtitles.

Dr. Alex Hesse Arnold Schwarzenegger
Dr. Larry Arbogast Danny DeVito
Dr. Diana Reddin Emma Thompson
Nash Barnes Frank Langella

IN his frumpy blond wig, tent-sized pink dress and double string of pearls, Arnold Schwarzenegger looks like a steroid-pumping Barbara Bush in the final scenes of *Junior*. At this point in the perverse proceedings, his character, fertility expert Dr. Alex Hesse, is also hugely pregnant — a guinea pig in his own drag experiment and the first man ever to carry a baby to term.

No question, the one-liner on which Ivan Reitman's broad comedy rests is grotesque and more than a little unsettling. This is not just any man who's been knocked up, after all, it's Arnold Schwarzenegger! Mr. Universal! The Terminator! Conan the Barbarian!

The superstar's übermensch tendencies — his deadpan German accent and Cro-Magnon shoulder-span — add an especially creepy edge to the motif of nature-defying genetic engineering.

But if there's sickness in this casting choice, there's also a weird sort of logic. Since when has Schwarzenegger ever seemed



Arnold Schwarzenegger stars as a scientist with an aversion to forces beyond his control — not the least of which is a roomful of crying babies. (McBroom)

quite normal? As his skin and attitude start to soften and his stomach to balloon, he draws closer to humanity than he's ever been before. Giving birth is alleged to make a woman whole and feminine; maternity actually turns Schwarzenegger into a real man.

This notion is strange enough to generate laughter for a few minutes. To their credit, Reitman and screenwriters Kevin Wade and Chris Conrad manage the more difficult task of keeping *The Joke* fresh and varied throughout most of the film. I admit that after repeated viewings of the trailer, I was dreading

the redundancy of the movie itself. In fact, it made me giggle.

What's most ticklish about *Junior* is its outrageous physicality. Reitman and Co. appear to have dreamed up the movie while peering into a fun-house mirror. Alongside the strapping, big-bellied Alex, his partner Dr. Larry Arbogast (Danny DeVito) is small, round and bald as a pimple on a nose. (The outrageous discrepancy between these two types has already been exploited once by Reitman in *Twins*, where Schwarzenegger and DeVito played unlikely brothers, separated at birth.)

Add to this cartoon line-up Dr.

Diana Reddin (Emma Thompson), a klutzy research scientist who spends large parts of the film in some frazzled state, with, say, a half-eaten slice of cheese stuck to her cheek or a piece of toilet paper trailing from her heel.

The sight gags become emotionally trickier as Alex's, um, condition grows more pronounced. And this isn't just a matter of his spreading girth or his new-found preference for pastel clothing. The further along his pregnancy, the more he opens to his feelings. One of the movie's funniest scenes shows Mr. Mom with tears streaming down his robotic jaw; he's been reduced to a weepy, hormon-

al wreck by an ad for Kodak film.

In case you hadn't guessed, Emma Thompson is a bit too good (too well-trained, articulate and poised) to appear in a movie of this high-concept, low-impact nature. She's also a phenomenal sport, and as convincing a crassly comic ditz as she is a Forster/Shakespeare grande dame. Thompson rises — or sinks, as the case may well be — to the dubious slapstick challenge of her role and willingly careens down a steep ramp while splayed on top of a human egg freezer. Later, she kicks her shoe across a dance floor, onto a stranger's full plate.

Predictably enough, Alex falls

in love with Diana. Their romance is the source of some momentary poignancy, but it also surfaces just at the point when *The Joke* begins to thin: as Diana realizes the cause of Alex's sudden weight gain, she seems peeved and a little bit hurt. She wanted to be the mommy. The reversal of these typical roles is meant to sharpen the social satire.

Parodic as the sight of Arnie in labor may be, though, *Junior*'s heart just isn't in cutting satire. Forget about the flip-flop of moms and dads. For better or worse, this movie is all about happy little nuclear bundles and the domestic rituals that bind them.

Bravissimo, Italiano!

MICHAEL AJZENSTADT

A decade ago, harpist Rinaldo Alessandrini realized that, when it came to the Italian baroque, English musicians were beating the Italians at their own game.

In response, he formed *Concerto Italiano*, an ensemble devoted to authentic performances of his country's early music.

Today, *Concerto Italiano* remains the only Italian early music ensemble of merit. Their numerous recordings win rave reviews and their performances are hailed by the public and critics alike.

Later this week, the ensemble will make its first Israeli tour.

In a phone interview from his home in Milan, Alessandrini explains that while the *Concerto Italiano* began as a chamber orchestra, its size was reduced when he discovered the vast and beautiful repertoire of Italian madrigals.

"We did a concert of madrigals for a friend and I was hooked," he says.

Now as the ensemble embarks on a project to record all of Monteverdi's madrigals, Alessandrini has decided to enlarge the ensemble once again and to begin performing baroque Italian opera.

On their tour here, the six singers and two accompanists will perform an anthology of Italian madrigals.

Alessandrini wholeheartedly

recommends that audiences read the text before the concert. "There is no point in listening to a madrigal without comprehension of the text," he says. "The music is channeled by the words."

Monteverdi, Alessandrini notes, was the first composer to declare that music is the servant of the words.

Although it was English musicians who spurred Alessandrini to create *Concerto Italiano*, he has strong reservations about their use of choirs to sing madrigals.

"They sing in a very calm way because there are a lot of singers in a choir," he explains. "But madrigals are just for five singers all of whom must sing like soloists and not like a choir. It's a major difference."

In fact, he says that any piece of music should be looked at by going backwards in time and not forwards: "I don't agree with those musicologists who say that Mozart is the anticipation of Beethoven. Mozart knew Bach and Handel very well."

"He was a genius but there was a continuation there and that is most important to our understanding of his style."

The *Concerto Italiano* performs Thursday at the Ohel Shem concert hall in Tel Aviv and Saturday at the Henry Crown Symphony Hall in Jerusalem.

Equally good on the boards or the bench

MICHAEL AJZENSTADT

LIKE the best basketball players, musician Dani Etinger gets as much satisfaction with an assist as with shooting the ball through the hoop.

Two years ago, the 23-year-old baritone won the Francois Shapira Competition for young musicians. Last week, as a piano accompanist, he helped soprano Anat Efrati win the same competition at the Tel Aviv Museum.

Efrati acknowledges her debt to Etinger.

"Working with Dani has given me so much it's amazing," she said before the competition opened. "Even if I don't win the prize it was all worth it just for the opportunity to work on this program together with Dani."

Despite his success in them, Etinger is not a fan of music competitions. "Although the prize money can be tempting, I believe it's much more beneficial to do an audition for an agent or a conductor than just enter one competi-

tion after another. After all, those who don't win gain very little."

Still, the Francois Shapira Competition is special. "Winning on home ground is different. It's an opportunity to prove to yourself where you stand in your own country," he says.

Etinger is still searching for the right balance in his musical career and activities. In a couple of months he joins the New Israeli Opera production of Prokofiev's *The Love of the Three Oranges*, continuing his association with the company where he already performed in Offenbach's *The Tales of Hoffman* and in Britten's *A Midsummer Night's Dream*. Next fall he plans an audition tour of Europe.

"I would love just to sing concerts all my career but I know this is not realistic," he says.

Etinger did not come to singing naturally. "I studied at Telma

Yelin School where I began with the piano. When they required each pupil to add a second instrument, I chose the double bass. I realized quickly enough that it wasn't really for me. But we also had to participate in the choir there and that's when the singing bug got me."

Etinger does not seem to be in a rush. Although he admits "it's hard to believe any musician who says that the time factor does not bother him, I really believe that I must take one thing at a time. I'm too young to do a lot of operatic repertoire and I have no plans to harm my voice by singing too much too early."

Plus he's got an urge to conduct, as well. "Accompanying on the piano is interesting because of the music and not the piano itself. And it is a step towards conducting."

Etinger accompanies Efrati in the recitals that follow her prize

both at the Tel Aviv Museum later this season and before that next Monday at the Henry Crown Symphony Hall in Jerusalem. The prize also includes a concert with the Israel Philharmonic Orchestra, in which the orchestra is led by a young conductor.

"They are holding auditions for conductors for this specific concert," says Etinger, "and Anat and I have this dream that I will win the audition and be able to conduct her in that concert."

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From the Royal Academy, with jazz

THE Brits started out way behind the US when it came to jazz but once they got going, they sure caught up fast.

Some of the thanks have to go to noted bandleader and jazz educator Graham Collier. It was he who set up the jazz program at Britain's venerable Royal Academy of Music, which attracts gifted young musicians worldwide.

Now Collier and RAM jazz

students are coming here for joint gigs and recording sessions with a band from the Rimmon Music School in Ramat Hasharon, the first venture of its kind. The two bands will record *Adam's Marble*, a piece Collier composed especially for his first Israeli tour in 1986, and its companion piece, *Bright as Silver*. They'll also be at Beit Liesson on February 23 and 24.

Helen Kaye

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Peres's censure

FOREIGN Minister Shimon Peres used diplomatic language when he criticized Syria yesterday, but the meaning of his words was clear: The presence of terrorist leaders in Damascus is incompatible with Syria's purported desire for peace. Indeed, Syria cannot provide shelter, headquarters, training camps, weapons, logistic help, finances and diplomatic assistance to at least 10 terrorist organizations sworn to destroy Israel and claim it wants peace with Israel.

If there is anything wrong with Peres's statement it is that it took him so long to make it. It is difficult not to suspect that it has more to do with Syria's intransigence in the negotiations than with the substance of the charges.

Syria has harbored the very same organizations, and has directed Hizbullah activities which have cost Israel and its South Lebanon allies hundreds of casualties, ever since Peres became Israel's foreign minister. But for most of these 30 months, Peres kept praising Syrian dictator Hafez Assad's trustworthiness and genuine desire for peace. It was soon after Labor assumed power that Peres was wildly enthusiastic about the "sensational" developments in the Syrian capital. Suddenly blaming Assad now for what he has been doing with impunity for so long is to be charitable, inconsistent.

Conversely, Assad is nothing if not consistent and logical. If the territories Israel won in 1967 and the "security belt" it controls in South Lebanon since 1982 are indeed "occupied territories," as most of the world seems to agree, then the "armed struggle" to liberate these territories is not terrorism but a legitimate fight for freedom. By removing support from

organizations like Islamic Jihad, Syria would be betraying what it considers their just cause. That it has not stopped supporting these organizations, Assad has told Western interlocutors, is a sign of courage and integrity.

Not surprisingly, there are members of the Israeli government who agree with him. Communications Minister Shulamit Aloni has also said that the fight against "the occupation" is not terrorism but a justified struggle. And Prime Minister Yitzhak Rabin has referred to Israel's presence in Judea, Samaria and Gaza as that of "an army of occupation."

Such eagerness to adopt the adversary's terminology is probably unprecedented, and it exacts a price in the diplomatic arena. But the issue is not just terminology. Israel has failed to make the cessation of terrorism a condition for the opening of negotiations. This was a mistake, even if the government believes it should withdraw from all the territories. To conduct peace negotiations under the gun is to invite havoc.

Compounding the error, Israel first conditioned the recognition of the PLO on the organization's commitment to subdue terrorism, and then ignored Yasser Arafat's refusal to honor this condition. Only now, after the Beit Lid massacre, has Israel demanded some concrete proof of antiterrorist activity by Arafat's police before the talks progress.

It is time the government insisted, both with Syria and the PLO, that hostilities stop before talks progress. At least it must limit talks to a discussion of violence until all hostile activities stop. Otherwise, Peres's censure of Syria yesterday will be remembered as just another meaningless salvo in the war of words.

Dubious democrats

INDIA'S oft-used title of "the world's biggest democracy" has been looking a little tarnished of late. If the truth be told, it has more often had the hollow ring of a public relations gimmick than a solid sense of reality. Now that the vast nation is emerging from the long years of its somewhat contrived and pro-Soviet "non-aligned" foreign policies into the real world of free markets, its performance as a democracy has come under a harsh spotlight, especially from the United States.

That India should get credit for what it has achieved is beyond question. Compared to the mean-spirited, undemocratic and fractious Moslem state of Pakistan, it is a democratic paradise. But a nation that trumpets its democracy so loudly must be prepared to be judged by the highest standards, and India falls far short of them. Its elections at all levels are unacceptably corrupt. Politicians have no inhibitions about using caste, religion, ethnicity and straight fraud, with scant regard for the dangers such tactics pose for the entire nation.

The world may have glibly bought the "biggest democracy" story in the past. But now that India is embarking on wide-ranging free market reforms and seeking new relations with Western states it once spurned - including Israel - its rulers have been somewhat irritated to find

questions asked about human rights abuses. It has been accused by the US of gross conduct in Jammu and Kashmir, where the five-year-old armed conflict has killed more than 17,000 people.

A US State Department report last week blamed Indian security forces for major abuses in this disputed Himalayan region. This followed a report by Amnesty International that said torture by Indian security forces had become a daily routine. Nearly 70,000 Indians have been held in "preventive detention" under a "temporary" antiterrorism law invoked 10 years ago. They include journalists and political activists with no records of violence. Several hundred detainees have died under suspicious circumstances.

New Delhi at first responded with the usual knee-jerk reactions, accusing all its accusers of using questionable sources and of being motivated by vested interests. Its decision this week to start allowing International Red Cross access to detention centers in March is a step in the right direction. Even if first steps to rectify human rights abuses are motivated by commercial self-interest, as in China's case, it is better than nothing. But much "better than nothing" is what the world expects if it is to continue accepting India's claims to democracy.

LETTERS TO THE EDITOR

DEPOSIT INSURANCE

Sir, - In *Your Money* of January 20, the writer states that a *tochut hisachon* account in an Israeli bank, like the purchase of a five-year US Treasury bill, is "absolutely risk free."

Not so, I am afraid. In Israel, we have no FDIC - Federal Deposit Insurance Corporation - as they have in the US.

About two decades ago, the idea of a deposit insurance scheme was broached to Israeli banks, but they rejected it since the premiums would have cost them some money.

Nahariya, HANS GROSSMAN
The J.P. Business Editor comments:

It's as safe as the bank in which the money is deposited. It is very difficult to imagine the Israeli government letting any of the major banks fail.

ENEMIES OF JEWS

Sir, - The ridiculous propaganda that "those who kill Jews are the enemies of the peace process" must be countered by a serious question: Why would those who are gaining everything from the "peace" negotiations do anything which might halt the surrender process? Why would those who have gained land, independence, arms, economic aid, freedom of prisoners and world approval, authorize terror against their Israeli benefactors?

Of course, the killers of Jews are not the enemies of the "peace process." These murderers, encouraged by the softness and fearfulness of the government of Israel, are purely and simply the enemies of Jews.
MONA GOLDMAN SPIEWAK
Jerusalem, (Merrick, NY).

AFFIRMATIVE ACTION

Sir, - Three heavy cheers are due the members of the Senate of the University of Tel Aviv for their courageous decision to vote against implementing a proposal for affirmative action (or "reverse discrimination") in their law school.

The members of the Senate there had the good sense and foresight to understand that reverse discrimination for the "under-represented" leads inevitably to lowered standards of acceptance and advancement for the underqualified, and ultimately to the reduction in the levels of performance of those institutions into which "affirmative action" candidates are recruited. This is the undisputed experience of all other countries where affirmative action has been implemented, and there are now massive movements in the US to revoke all such programs.

In addition, the Senate members understood that affirmative action is ultimately nothing more than discrimination, and injures members of those groups in whose favor discrimination is adopted because it causes them to be seen as third-rate and underqualified, including the truly qualified among them.

If only the Knesset, which has been pushing affirmative action laws, could have the same level of common sense as the Tel Aviv University Senate! If standards of qualification for Knesset seats could only be adopted that were comparable to entrance standards at Israeli universities, so many foolish laws would never make it through the Knesset.

DR. STEVEN PLAUT,
School of Business,
University of Haifa
Haifa.

NO MORE CONCESSIONS

Sir, - The Arabs have made it clear that their plan is to eliminate the State of Israel in stages. First autonomy, then rule over Jerusalem and then the final solution: the dismantlement of the state. Their tactics pressure Rabin and Co. into making maximum concessions and continued backing of terrorist attacks within the Green Line.

We must go back to the days of British rule in Palestine to find a similar pattern of Arab threats and attacks, and British concessions. But then, the Jewish community responded by setting up new settlements and not by restricting building. Our answer today must be clear: no more concessions, a halt to negotiations and continued building of settlements and housing in Jerusalem.

STANLEY LEVIN
Petah Tikva.

TRITE BROMIDE

Sir, - I read once too often in Yosef Goell's article of January 18 the bromide, "the rich get richer and the poor get poorer." It is not only true, it cannot possibly be true.

When the rich get richer, they have to do something with their new riches: they can save, invest or consume. In each instance, they create jobs and/or pay taxes, and thus make the poor richer.

Of course, when the rich get poorer by over-taxation or false economic policies or market forces, the poor also get poorer.

Y. OFER
Bat Yam.
If memory serves, the original saying is "the rich get richer, the poor have children." Ed. J.P.



The nuclear dilemma

GERALD STEINBERG

THE question of Israel's nuclear status was raised again at last week's Cairo summit, amid tremendous pressure on Jerusalem to sign the Nuclear Non-Proliferation Treaty or at least take some steps in that direction.

Before leaving for the summit, Foreign Minister Peres had claimed that "a solution is pending." There had also been reports of Israeli gestures. But the meeting ended without any sign of change in either Israeli or Egyptian policy.

For 25 years, Israel has rejected pressure to sign the NPT, partly because the nuclear deterrent is seen as an essential guarantee for survival, and partly because the NPT has failed to prevent proliferation in Iraq, and - it is now feared - Iran.

Delegates from the 167 countries that are parties to the 1970 Nuclear Non-Proliferation Treaty will meet in April to "decide whether the Treaty shall continue in force indefinitely or shall be extended for an additional fixed period or periods." If the majority votes for extension, the decision will be binding on all current NPT signatories.

By signing the NPT, as Egypt is demanding, Israel would be giving up its alleged nuclear deterrent, and in a few years would have no response to the Iranian and revived Iraqi nuclear capabilities. Israel also still needs to deter the threats posed by Egyptian and Syrian forces, which are equipped with thousands of modern tanks, combat aircraft, missiles, and chemical weapons.

Cairo has seized on the NPT issue as a political vehicle by which to reassert its role as leader of the Arab world, and as a means of removing Israel's deterrent option and restoring Egyptian and Arab military superiority.

Egypt is threatening to bring down the entire NPT structure unless Israel signs. In this threat, it is trying to gain the support of other Arab, Islamic, and non-aligned states.

If a majority of states vote against indefinite or long-term extension of the NPT in April, this will severely weaken or even destroy the NPT and the international non-proliferation regime.

THIS POSES a dilemma for Israel, since, despite the NPT's limitations, it has strategic and political interests in the indefinite

Israel can yet chart its way through the NPT straits

extension of an international agreement which has, in contrast to the failure in Iraq, prevented the spread of nuclear weapons to Egypt, Syria, Libya, and other Middle Eastern countries.

In a broader sense, the NPT is an important element in international order and stability. A world of many nuclear powers would be highly unstable, undermining the US's ability to intervene in regional conflicts, including the Middle East. The NPT is a key element in American foreign and defense policy, and as Washington's major Middle Eastern ally, Israel is under pressure from the US to make some gesture of support toward its indefinite extension.

In the effort to resolve this dilemma, Israel has declared its readiness to discuss arrangements in a regional context, such as the proposed Middle East Nuclear Weapons-Free Zone. This would require the participation of all

states in the region, including Syria, Iran and Iraq, and would supplement existing safeguards with special measures designed for the Middle East.

These proposals are being discussed in the multilateral Arms Control and Regional Security (ACRS) talks that began after the 1991 Madrid conference. Iran, Iraq, Syria, and Libya are boycotting the talks, but a framework for future action is being developed in the hope that political changes in these states will lead to policy changes.

Limitations on the acquisition of conventional weapons by Arab countries are also necessary components of any regional arms control arrangement. Any Israeli gestures on the nuclear issue must be accompanied by limits on Egyptian and Syrian conventional forces. Egypt faces no external threats, keeps two-thirds of its forces just outside the Sinai demilitarized zone, and continues to augment its army with F-16 aircraft and modern American M-1 Abrams tanks, now being manufactured in Egypt. While pressuring Israel for concessions, Egypt should be pressed to defuse this threat.

The combination of regional limits on weapon of mass destruction (including, of course, nuclear weapons), linked to agreements on the control of conventional weapons, provide the best hope for resolution of the Israeli NPT dilemma. Together, these will meet the security requirements of both Israel and Egypt. However, without both elements, attempts to force Israel's hand will damage the Middle East peace process, and will not help the NPT.

The writer is a senior research associate at the BESA Center for Strategic Studies, Bar-Ilan University.

A short and swift demise

FINANCE Minister Shohat's decision last week to abolish the law taxing stock market profits was inevitable, but unfortunate. There was nothing wrong with the proposal, and I say this as one who has earned more on the stock market over the last half year than from many hours of hard work.

What was wrong was the Finance Ministry not doing its homework before announcing it would impose the tax - which meant that after the appropriate legislation was passed, the tax couldn't be collected forthwith. This gave those with vested interests and opportunistic politicians an opportunity to kill the new law.

Most of the reasons given for canceling the tax were no more than cheap demagoguery.

The first: that the tax was the reason for the stock market tumbling. Anyone who knows anything about the TASE and how it works knows this is a lie.

The market started to fall because its meteoric rise the previous year bore no relation to the true state of the companies whose shares were being traded.

The price of many shares were artificially and illegally hoisted by brokers seeking quick profits, and the price of many others rose for no better reason than the banks encouraging their clients to borrow in order to "invest" in almost any piece of garbage being traded.

In a questionable practice, the banks covered themselves legally by getting clients to sign declarations exonerating them from responsibility.

SUSAN HATTIS ROLE

There were several rational reasons for falling stock market prices. These included the extremely high interest rates set by the Bank of Israel in its struggle against inflation, which resulted in very attractive savings plans being offered by the banks; and the relatively weak financial performance in 1994 of many companies whose shares are traded on the stock market.

The stock exchange tax was right, but wrongly done

Thus it wasn't the tax that caused the market's fall, though the fall had been implemented the tax now not only unpopular, but totally uneconomic.

THE KNESSET'S "social lobby" based its opposition to the tax on the argument that the "little man" who had invested all his savings in the stock market would lose.

If the social lobbyists are genuinely concerned about the welfare of the little man and not about the next primaries, they should be trying to persuade him to invest his hard-earned savings in solid savings programs rather than the stock market. The closest he should be getting to the market is through provident funds or mutual funds.

The little man needs to be taught responsibility, and not

how to blame the consequences of his irresponsibility on others.

Another source of opposition to the tax came from anonymous big investors who use the stock market to launder money that was never reported to the tax authorities. The last thing these investors want is for tax collectors to start sniffing around their investments in the stock market.

It is only to be expected that "kosher" big investors would prefer not to pay taxes on their profits, even if they have the option of offsetting losses. But had the tax been implemented, these investors would doubtless very quickly have adjusted to the new reality.

In the final resort, the level of real investment - the sort that results in new enterprises being constructed and old ones expanding - wouldn't have been affected by the tax. The high-risk speculators would simply have started looking for another casino to play, and the TASE would finally have had a chance to turn into a stable and rational institution.

Because of the pathetic way Shohat's officials handled the whole affair (was there a fifth column?) the chances of any tax being imposed on stock market profits in the next decade are close to nil. We shall continue to pay exorbitant tax rates on money we work hard to earn, and none on stock market gains.

Hopefully this experience will teach Shohat - who was right in seeking to impose the tax - to be more critical about his officials' advice and assurances.

The writer is a political scientist.

Why worry?

D'VORA BEN SHAUL

MARK Twain knew a lot about worrying. He once said he had worried about a great many things during his life, but, thank heaven, they'd never happened. Israelis are different. We don't seem to get very hot up about things, even when they're almost certain to happen.

Take the problem of water. As recently as 1989 and 1990, as Israelis watched the shoreline of the Kinneret recede into the distance, there wasn't anyone in the country who didn't know that we were in the midst of a serious drought. We were quite simply in danger of running out of water.

Newspapers, television, radio and assorted posters and billboards all joined together in a massive campaign to tell Israelis that they must save water at all costs. So we let our gardens go dry, we washed the floor with bathwater, and snorted at family members who flushed the toilet too often. Crops wilted in the summer sun, and untold damage was done to the fields of the Jezreel Valley as farmers diverted sewage water supplies to their irrigation systems and added another burden of salts to the fragile ecosystem of this once-lush area.

And then, in the winter of 1991-1992, the rains came. In fact, even the snows came. The Kinneret flooded its banks, reser-

Only eccentrics lose sleep about water...

voirs burst their dams, and all was well as millions of precious cubic meters of water rushed through the Jordan Valley on their way to the Dead Sea.

The drought was over. For the time being.

BUT EVERYONE knows droughts come every few years, and there is every reason to believe that we shall soon have another.

We also know that, since the beginning of the last drought, more than half a million immigrants have arrived, and several tens of thousands of babies have swollen our population. We have opened more factories, built more housing and are on the verge of making international agreements, including one with the Palestinians.

They will demand, and must be given, their fair share of this area's water resources in order to improve their agriculture and create an industrial infrastructure that can support their burgeoning population. We know that discussing a new way of sharing the waters of the river that runs along our mutual border formed part and parcel of the peace negotiations with Jordan.

We know all these things - but, except for a plan to create another reservoir together with Jordan, we have done absolutely nothing of any real importance to prepare the country or its population for the drought that is almost sure to come.

Practically no one takes water conservation seriously now. No ads admonish us, no government voice instructs us, and those who still worry about water are considered eccentric.

Cars are washed with running hoses, gardens are watered at midday - following the perfect example set by the local municipality or council - and anyone who had turned off their taps and washed their dishes in a basin for a year has by now forgotten all about it and relegated the basin to the sandbox.

Why hasn't the water commissioner set up a national brains trust to study the problem? When pollution threatened the future of the Kinneret in 1970, the minister of agriculture created just such a body, and a great deal was accomplished that had previously seemed impossible.

The time to do something about our water shortage is now - not when the water is almost gone. Or are we waiting for a miracle?

It would be nice if the Syrians and Lebanese were to say, "Here you are, take the water that flows from the Litani River into the sea. We don't need it."

But that, it seems, would be less of a miracle than the government and its citizens waking up, just once, and shutting the stable door before the horse has gone.

The writer is a regular contributor to The Jerusalem Post.

سكنا من الرصين

Intestinal Fortitude

To Campaign (v): To Beg, to Borrow, to Endure

By RICHARD L. BERKE

WASHINGTON
THE master plan was laid out months ago. Jack Kemp would give 200 rubber-chicken dinners (sometimes it's meatballs or just cocktails) between Jan. 1, 1995, and Jan. 1, 1996. What the plan did not say was that he would be expected to deliver the same lines, ingratiate himself to political hangers-on and, most humiliating of all, beg them for money.

That's not counting the hundreds, probably thousands, of phone calls Mr. Kemp would have to make to more prospective supporters. Sandwiched between would be the other duties of a Presidential candidate: smiling through interminable tours of coffee shops in outposts like Laconia, N.H., being polite to badgering reporters, pretending to enjoy hanging around plant gates at 5 o'clock in the morning.

After dithering for months, Mr. Kemp, a former housing secretary, Congressman and prominent conservative, last week declared, "Enough! He badly wants to be President. But not that badly."

"Using the Newt Gingrich word, there are a lot of grotesqueries," Mr. Kemp said, "not the least of which is the fund-raising side of it. I have no passion for that."

There are plenty of politicians with the résumé, the competitiveness, the brains and, of course, the outsized egos to be President. But not so many with the stomach to run for President.

Said Senator Phil Gramm of Texas, who stands out among the Republican contenders because he actually takes pleasure in hitting up people for donations: "There are probably a couple hundred thousand people who could do a better job. But they're not running."






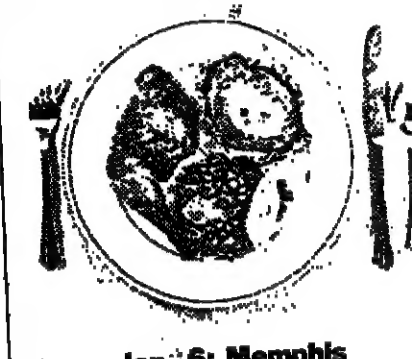
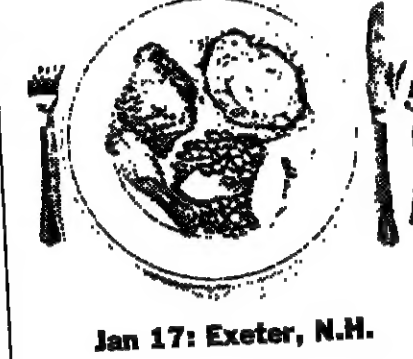



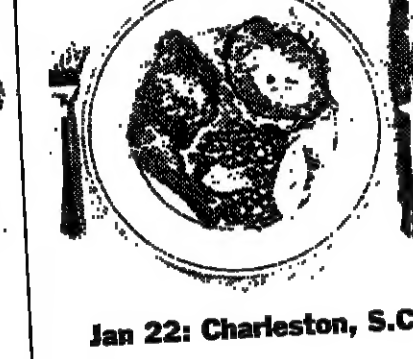
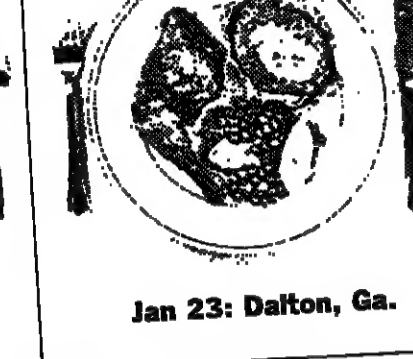

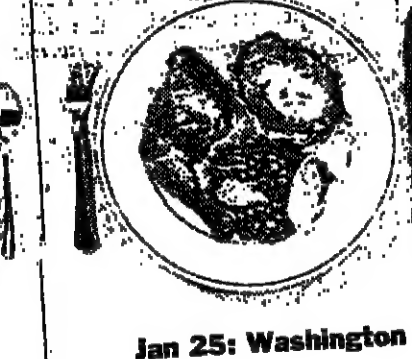
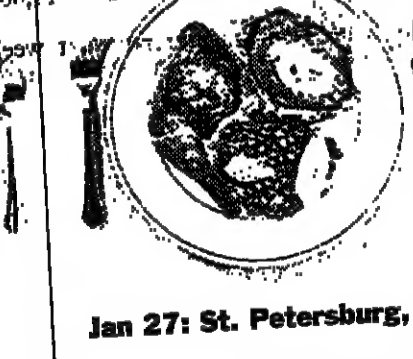
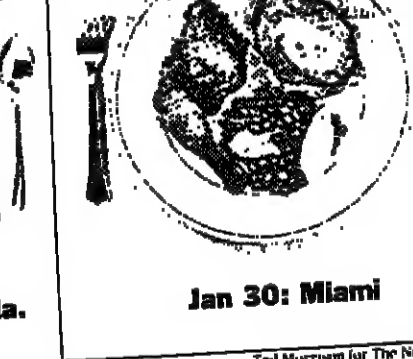
After the Republican landslide, even with President Clinton seeming so vulnerable, the Republican field seems to be narrowing rather than broadening — in part because the early demands to raise money have never been so oppressive. Before any Republican has officially declared, many have announced that they will not run. Dick Cheney, the former Defense Secretary, dropped out last month. Last year, William J. Bennett, the conservative values maven, and former Gov. Carroll A. Campbell Jr. of South Carolina said, after exploring their prospects for some months, declared that they were not interested.

Who's left? The people running for President either have to be incredibly well known, like Senator Bob Dole, or incredibly rich, like Ross Perot (or incredibly friendly with someone incredibly rich). Or they have to be so eager to be President, and so compulsive about pursuing the Presidency, that little things like dignity and a sense of proportion have to be ruthlessly suppressed.

"People who put themselves through it are motivated by the need for achievement or the need for power and dominance," said Charles Garfield, a clinical professor of psychology at the University of California at San Francisco Medical School who has written books about what drives politicians and other high achievers. "There has to be a deeply felt mission that's embedded in the psyche, something you've thought about for a very, very long time. It's like a young child who wants to be an Olympic athlete. And you're willing to go through whatever day-to-day travails and difficulties are necessary to get to that end." (It's also not always so great for those who do get there; just ask Mr. Clinton and many of his friends whose lives have been devastated by his victory.)

Senator Arlen Specter of Pennsylvania said that despite "the humongous undertaking," running is

Continued on page 4

			
Jan 6: Baton Rouge, La.	Jan 10: Nashville	Jan 11: Dallas	Jan 12: Los Angeles
			
Jan 13: Colorado Springs	Jan 16: Memphis	Jan 17: Exeter, N.H.	Jan 18: New York
			
Jan 19: Washington	Jan 21: Nashville	Jan 22: Charleston, S.C.	Jan 23: Dalton, Ga.
			
Jan 24: Des Moines	Jan 25: Washington	Jan 27: St. Petersburg, Fla.	Jan 30: Miami

Dining for dollars: The January travel schedule of one Presidential hopeful, former Gov. Lamar Alexander of Tennessee.

Models for China

Either Filthy and Free Or Clean and Mean

By PHILIP SHENON

SINGAPORE
AT first glance, they couldn't be more different. The tiny city-state of Singapore is scrubbed clean. The authoritarian Government has made it a crime to chew gum or fail to flush a toilet, and litterers are humiliated by having their faces splashed across the pages of the Government-owned newspapers. Taipei, the capital of Taiwan, is filthy, arguably the least inviting city in Southeast Asia. The chaos of the streets there is matched only by the mayhem of the democratically elected legislature. Fights are a regular event on the floor of the Parliament.

But different as they are, these two island-nations have one important thing in common. Both offer a vision of the future for 1.2 billion Chinese on the mainland. It is a future in which a Chinese-run government provides prosperity and security without sacrificing a distinctly Chinese way of life, with its reverence for the family and its reliance on hard work.

While Singapore and Taiwan embrace western concepts of free markets, the social structure remains Chinese. During last week's celebrations of the Chinese New Year, both countries effectively shut down for several days so that families could mark

the holiday together. The social problems that plague the United States and other developed Western countries — drug abuse, divorce, teen-age pregnancy, school dropouts, among them — exist in Singapore and Taiwan, but they are far from common.

Measured on almost every scale of economic and social achievement, Singapore (with 3 million people) and Taiwan (with 21 million) are the most successful Chinese-run nations in nearly 7,000 years of Chinese civilization. Their size belies their huge stature as role models for China. And their competition for the mainland's soul makes for the most interesting rivalry in Southeast Asia. (While Hong Kong is just as prosperous as Singapore and Taiwan, it falls as a political role model, since its Chinese citizens have had little say until recently in the running of a British colonial government.)

So what is the battle? Simply put, many prominent Singaporeans see the Taiwanese as undisciplined roughnecks whose free-wheeling style of democracy, if adopted in China, could tear it apart. The Taiwanese, or at least many of them, see Singapore's leaders as iron-fisted bullies who treat the citizens like dimwitted children, and whose style, if transplanted to China, would mean another generation of oppression.

The rivalry is no secret. In a scathing article in a Taipei newspaper last fall, Lung Ying-tai, a prominent Taiwanese social crit-



In Taiwan, chaos reigns, even in the National Assembly.

ic and author, attacked Singapore's draconian legal system and ridiculed the Government's attempts to appoint itself the upholder of Asian values. "Thank goodness I am not a Singaporean," she wrote. Singaporeans are not all that polite about Taiwan either. The Straits Times, the Gov-

ernment's major English-language newspaper (private newspapers are banned in Singapore) ran an editorial last summer under the provocative headline "Singapore and Taiwan: Which is better?" and left its readers with no doubt about the correct answer. The paper said there had been "a loss of

national purpose and discipline after 10 years of democratization" in Taiwan. One of the newspaper's columnists wrote that "what the Taiwanese have done with their greater political freedom has not been en-

Continued on page 2

Border Wars
Latin America isn't
sure where it lives.

By Larry Rohter

2

Guided
Tour

What they're not showing at the
Smithsonian.

3

Private Conversation
Who, us? Discuss
interest rates?

By Louis Uchitelle

4



The World

Tidings of Abuse Fall On Deaf Ears

By STEVEN A. HOLMES

WASHINGTON
IN December, Amnesty International issued a grim report on the human rights violations committed by the various factions in the civil war that has engulfed Afghanistan during the last six years. There were stories of young girls raped, of prisoners tied for days to dead bodies and of detainees forced to eat human flesh. "The human rights catastrophe in Afghanistan has reached appalling proportions," Amnesty International said in its statement accompanying the report. "and yet governments around the world are ignoring the tragedy."

The United States is no exception. Not only have Congress and the press disregarded the tragedy in Afghanistan, they have also disregarded Amnesty International's report. "We distributed copies of the report on the Hill," said Christine Haenn, a spokeswoman for Amnesty International's Washington office. "There was no interest."

Does Anyone Care Anymore?

The Afghanistan report may be an extreme case. But it does raise some serious questions: Just how much impact do reports on human rights violations have? Does anybody care about the issues they raise? Do they influence public policy? Have they done more harm than good by giving the world the impression that every country is guilty and therefore that none deserves special reprimand? Has the public become inured to the depredations in places like Rwanda, Angola, China, Chechnya, Saudi Arabia and the United States?

"You've got a lot of people on the Hill who, mainly, are liberals who believe in human rights, and use these reports extensively," said Kim Holmes, the director of Foreign and Defense Policy Studies at the Heritage Foundation, a conservative Washington think tank. "The public at large pays absolutely no attention to them, unless they get reported extensively in the media. Even then it's not the reports so much that drives public opinion, it's the television."

Since the 1960's, and especially since Jimmy Carter's Presidency, groups like Amnesty International, Human Rights Watch and the Lawyers Committee for Human Rights have been churning out reports on abuses around the world. But while the lyrics and music remain the same, the concert hall has changed.

Without an ideological edge, human-rights issues have trouble getting traction.

This week in its annual human rights report, the State Department not only named the usual suspects — Iraq, Iran, Cuba and North Korea — it also chastened Russia for sending troops into Chechnya to attack civilians, for making arbitrary arrests and for beating up prisoners.

Although the reprimand was serious, one can imagine that the censure would have been much harsher a decade ago. With the end of the cold war, conservatives no longer need to round out their picture of the Evil Empire with human rights reports about dissidents imprisoned in psychiatric hospitals and Jews who have been mistreated. The left has also lost the need to vilify right-wing, anti-Communist death squads in places like El Salvador or Chile.

Talk Is Cheap

With America turning inward, with foreign aid making up only one percent of the Federal budget and with the United States and Western Europe reluctant to intervene in Bosnia despite three years' worth of highly visible, much-televized atrocities, is it possible that human rights reports have become a dead end? Perhaps. Joshua Muravchik, a resident scholar at the American Enterprise Institute, said, "I think that people know that in the world of diplomacy and international relations, talk is cheap."

When it comes to alleged human rights violations in this country, the issue is even more problematic. The overriding feeling here is that because we have a Bill of Rights, a functioning court system and universal suffrage, we can deal with human rights abuses through the normal judicial and political channels. Somehow, though, the accusations here often seem to be ignored. Even though Amnesty International produced a report last year on what it considered inhumane conditions on death row at the Oklahoma State Prison at McAlester, the report seemed to have no effect on the decision by New York officials to send convicted murderer Thomas J. Grasso there.

Not surprisingly, human rights advocates, both in and out of government, argue that the relevance of their reports should not be measured merely by the amount of press coverage they get or by the number of comments that come from Capitol Hill. Even if a human rights report is ignored here, it can boost the morale of people struggling under oppressive regimes.

"Talk about human rights by foreign government reaches the citizens one way or another, through radio or rumor," said Mr. Muravchik. "It helps to legitimize them and gives them courage and hope to oppose their government."

Even if no one else is paying attention to human rights reports, the accused governments are. Their efforts to to soften a report before it is published or, failing that, to criticize it after it is published indicate how seriously such reports are taken. "Every government, even the worst outlaws, seek to portray an image of respect for human rights," said Kenneth Roth, the executive director of Human Rights Watch. "For simple reasons of power, reputation is an important asset."

Human rights advocates say that the march toward human rights is a long-term slog, and that there has already been considerable progress. To some degree that is true. Places like Cambodia, South Africa, El Salvador, South Korea, Mozambique and Eastern Europe are much less brutal than they once were. And while the end of the cold war is partly responsible for the improvement, human rights advocates claim some credit too. As John Shattuck, the Assistant Secretary of State for Human Rights, put it, "If you step back from a one-year time frame, you see dramatic progress."



Nations draw lines in the sand about lines of the map. Heading toward Ecuador, a Peruvian soldier carries ammunition to Latin America's latest border war.

Bad Fences Make Bad Neighbors

By LARRY ROHTER

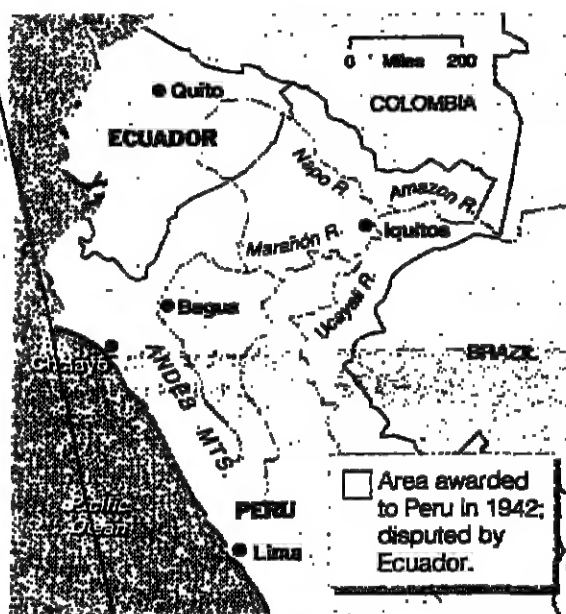
PANAMA
FOR the moment, the shooting in the Andes has abated, and Peru and Ecuador may be content merely to trumpet their respective claims to a disputed section of their border. But last week's conflict, which sparked patriotic marches and other nationalist outbursts in both countries, was sufficient to send a wave of alarm and resentment throughout Latin America, reminding more than a dozen other countries in the region that they too are parties to boundary grievances that could explode at any time.

Indeed, Latin American countries that have not engaged in some sort of border dispute are hard to find. Argentina and Chile, two of the guarantors of the treaty that delineates the Peru-Ecuador border, nearly went to war themselves in 1979 over the chilly Beagle Channel in Tierra del Fuego. Nicaragua claims a pair of islands in the Caribbean that are under Colombian control, and Colombia in turn has quarreled with Venezuela over a peninsula they share, while Venezuela has long argued with Guyana over their common border, and Guyana and Suriname have found it difficult to fix sections of their frontier.

The problem is particularly acute in Central America, where small nations with rapidly expanding populations covet every square inch of land they could hope to obtain at a neighbor's expense. Guatemala has recently renewed its claim to all of Belize, which led that former British colony to issue new defense bonds to "fund the expansion of the Belize Defense Force" and prompted Great Britain, perhaps fearing a repeat of the Falkland war of 1982, to send a frigate to the area.

Honduras and El Salvador are still arguing over a 1992 World Court ruling on their border dispute, and both nations have been unable to agree with Nicaragua on how the Gulf of Fonseca, an extension of the Pacific that forms part of the coastline of all three countries, should be divided up.

In Africa, which has also had its share of border disputes, boundaries were drawn arbitrarily by colonial powers and often slice right through traditional tribal



homeland. Many of the disputed areas in South America, by contrast, are remote and sparsely inhabited stretches of jungle or mountain barely known to the authorities back in the capital. Though the region being contested by Ecuador and Peru, for instance, is said to be awash in gold, uranium and oil, it was so little explored that the original boundary settlement of 1942, based in part in the location of rivers, was muddled five years later when another river was discovered.

Unneighborly Distinctions

But in many countries, longstanding boundary disputes, and the memory of border wars fought long ago, have also become an integral part of the national identity, a way to distinguish oneself from a neighbor who often speaks the same language, practices the same religion, or comes from the same ethnic stock.

Models for China

Filthy and Free or Clean and Mean?

Continued from page 1

couraging" and that many Taiwanese "long for the earlier days of stability and honesty" under authoritarian rule.

There's a saying here that Singapore's legislators love a good fist fight, just so long as it's on the floor of the Taiwanese Parliament. The press in Singapore have made much fun of the ugly side-effects of Taiwan's rush toward democracy. With glee they have covered Taiwan's brawls, vote-buying, its rising crime and divorce rates.

Still, Taiwan is a continual annoyance for authoritarian governments in Asia, for it tends to put the lie to the idea that Asians are different from all other people; that, even after they have achieved prosperity and security, they prefer a government that restricts the rights of the individual whenever they conflict with the rights of the larger society.

After a generation of repressive rule under President Chiang Kai-shek, Taiwan began to move toward democracy in 1987, when martial law was lifted. In 1991, President Lee Teng-hui restored constitutional rule and cleared the way for free elections for the legislature. Next year, the President will be directly and democratically elected for the first time. Taiwan now has two strong opposition parties and a free press. Tsu-Lin Mei, a professor of Chinese studies at Cornell University, said Taiwan proves that "you can have genuine democracy" in a Chinese society — that "you can lift the iron fist and things will not dissolve."

One Vote for Singapore

China's leaders are clearly alarmed about what is happening in Taiwan, and that has made them all the more enthusiastic about Singapore. "You do hear



In Singapore, everything is regimented, even the New Year's festivities.

people on the mainland saying, 'Hey, we should do it Singapore's way,'" said Richard H. Solomon, Assistant Secretary of State for East Asian and Pacific Affairs in the Bush Administration. "For those who want to say that you can have an authoritarian system and really raise people's living standards, Singapore is a great model to point to."

Nominally, Singapore is a democracy. The ruling People's Action Party has held power since 1959, mostly under Lee Kuan Yew, the former Prime Minis-

Government documents in La Paz proclaim that "Bolivia has a right to a coastline," at Chile's expense; maps in Ecuador show the country to be nearly twice its actual size; statues in Paraguay honor the fallen heroes who nearly defeated the combined armies of Argentina, Brazil and Uruguay more than a century ago, and Guatemalans are taught from infancy that "Belize is ours."

The rest of the world finds it easy to make light of eruptions of passion such as the 1969 "Soccer War" between El Salvador and Honduras. But that conflict helped derail the process of economic integration throughout Central America and led to a surge of militarism in both nations. In societies that are scarred by glaring economic and social inequalities, as is the case both in Central America and the Andes, resentment over lost territory becomes a valuable weapon for generals eager to justify their existence and for politicians without scruples.

Francisco Peña Gómez, for example, lost the presidential election in the Dominican Republic last year in part because opponents accused him of being a Haitian agent intent on undoing the border between those two Caribbean countries. And in Peru, President Alberto Fujimori is running for re-election this spring and stands to benefit from the patriotic groundswell brought on by war.

Signs and Prayers

Against such a backdrop, Americans have a natural tendency to give a sigh of relief and a prayer of thanks for the stability of their southern land border with Mexico, fixed by the Treaty of Guadalupe Hidalgo in 1848 after Mexico's traumatic loss of what is today the American Southwest.

But not so fast: a small group of Mexican lawyers and politicians have long maintained that the treaty fails to address the sovereignty of an archipelago off the California coast that includes Catalina Island. Mexico would be willing to relinquish any claim to that territory, they routinely suggest when the peso gets into trouble, in exchange for Washington's forgiveness of the billions of dollars Mexico owes American creditors.

ter, who is still believed by many to be calling the shots. Human rights groups have long complained that opposition parties are harassed and citizens seem genuinely frightened to speak their minds.

The Singapore Government has also tried to bring its foreign critics to heel. This month, The International Herald Tribune, which is owned by The New York Times and The Washington Post, was found in contempt of court for publishing an opinion article accusing unnamed Asian governments of using "a compliant judiciary to bankrupt opposition politicians." The newspaper was ordered to pay fines and court costs that will total tens of thousands of dollars.

The Trains Run On Time

When it comes to physical environment, Singapore wins. For those Singaporeans willing to swallow their criticisms of the Government, life could not be much better. Compared to other Asian cities, Singapore is a paradise, with sprawling gardens, marble shopping malls and efficient transportation system.

Taipei, by contrast, is a smoggy nightmare. Indeed, some Taiwanese wonder whether the country has sacrificed too much for democracy. Last year, a Taiwanese magazine, Common Wealth, compared Singapore and Taiwan and found that what most Taiwanese want is "rule of law, not greater freedom."

That view is by no means shared by all Taiwanese. "Yes, the Taiwanese politicians are breaking the heads of one another like clowns in Parliament," Lung Ying-tai, the Taiwanese writer, has said. "But I would much rather see this sort of boisterous, tasteless farce than quiet and dignified ceremonies where oppositionists are locked up." And if the Taiwanese want change, they need only wait until next year, when for the first time in their lives, they will freely elect a president.

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The History That Tripped Over Memory

What Might Have Been

This was the March 1994 plan for the National Air and Space Museum exhibit called "The Last Act: The Atomic Bomb and the End of World War II." The photographs were among those in this early version of the exhibit, which has now been scaled back.



The Casualties Dispute
Notes from a meeting indicate that Gen. George C. Marshall believed there would be 63,000 U.S. deaths in an invasion of Japan, far lower than the figure of one-half million killed or wounded that has become the common wisdom.

"Trinity" (code name for the bomb testing) display

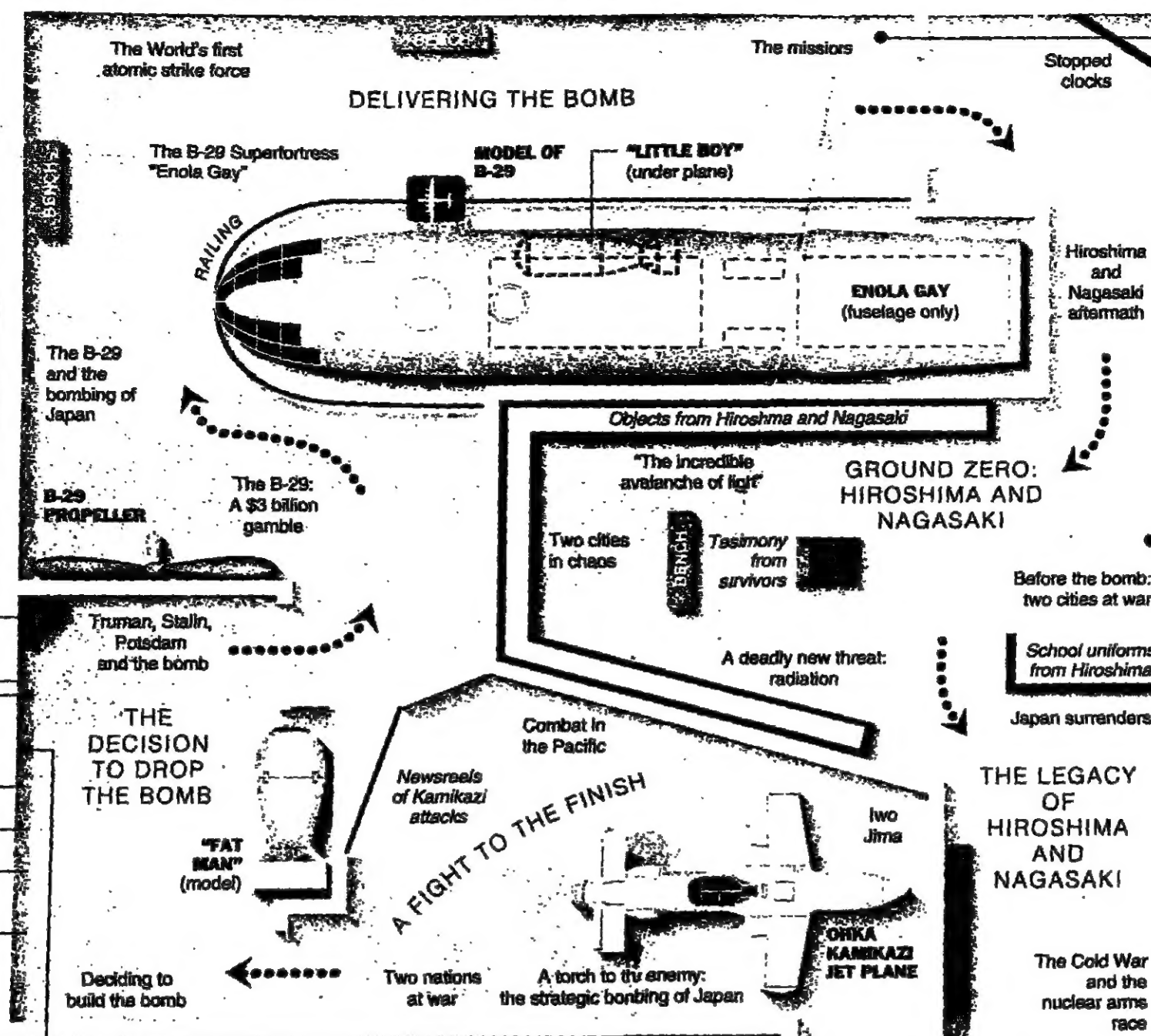
The invasion of Japan: a giant Okinawa? (includes figures on probable casualties)

Selecting the target

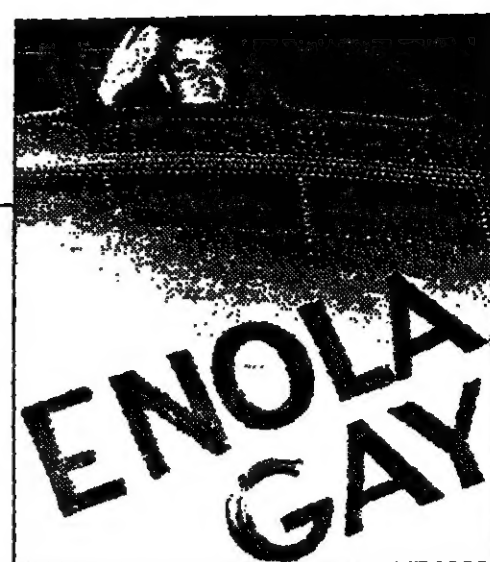
The Soviet factor

Japan looks for a way to end the war

"The most terrible weapon ever known in human history" (from the first briefing note to Truman on the bomb)



Firebombed Tokyo
The early 1994 text read: "Throughout the discussions of the Interim and Target Committees, the escalation of bombing attacks on civilians in World War II was an important precedent... the firebombing has already killed around two hundred thousand people." Critics said that there was too much emphasis on Japanese suffering and not enough on Japanese atrocities.



The Crew's Story
Col. Paul Tibbets just before the Aug. 6, 1944 mission to drop the bomb. The text near this photo would have noted: "When [the crew] arrived, they were surprised to find camera lights illuminating the field and more than 100 people on the tarmac. Feeling like movie stars, they granted interviews, nervously milled around and made final checks on their airplanes. Around 2:20 A.M., Tibbets 'called a halt' so that they could complete preparations for takeoff." The only exhibit that will now be shown with the Enola Gay is one on the crew.



The Victims
Before criticism forced changes in the exhibit, there were 49 pictures of Japanese victims, but only three pictures of American victims.

War of Words: What the Museum Couldn't Say

If the curators and historians had had their way, a visitor to the National Air and Space Museum would have had a chance, starting in May, to walk through an extraordinary exhibition designed to provoke questions, thought and perhaps debate about the dropping of the atomic bomb on Hiroshima 50 years ago. The exhibit was going to be big, so big they figured they would have to restrict entry.

But nobody will see that exhibit as it was originally envisioned, and as it is depicted here. I. Michael Heyman, who inherited what became the Enola Gay debacle when he took over as Secretary of the Smithsonian four months ago, announced last week that the renovated fuselage of the plane that dropped the bomb, along with a plaque and a video, are all that will remain.

In the exhibition's original form, the Enola Gay's fuselage would have been only the central artifact; before and after viewing it, visitors would be encouraged to re-examine the conventional understanding of the Pacific war, the decision to use nuclear warfare to end it, the horrors the Hiroshima and Nagasaki bombings wrought, and the nuclear arms race that followed.

"The primary goal of this exhibition will be to encourage visitors to undertake a thoughtful and balanced re-examination of these events," a July 1993 planning document said. "The Museum hopes that the proposed exhibition will contribute to a more profound discussion of the atomic bombings among the general public of the United States, Japan and elsewhere."

But veterans groups, then members of Congress, complained that the scripts were unbalanced and revisionist, an insult to the soldiers who fought and died. So the section on the cold war was deleted, and material was altered, or added, to give more emphasis to Japanese aggression and suffering by Americans. Japanese artifacts were pared down.

Then historians complained that the exhibit had become inaccurate and politicized. The Air and Space curators again revised it, and then again and again — five times before they were done. No one was satisfied, all sides stayed angry.

The decision to go with a minimalist exhibition may mute the Hiroshima debate, but leaves the likelihood that the Smithsonian, as a Government-supported national museum, must confront basic questions about its role. Should it adopt the professional skepticism of historians toward the time-honored understanding of events, especially at moments when people want to celebrate their memories, not question them?

Here is a small sampling of what the exhibit would have offered — and of the debate that killed it.

TIMOTHY MCNULTY

THE EXHIBIT'S NARRATIVE

A Fight to the Finish

In December 1941, Japan attacked U.S. bases at Pearl Harbor, Hawaii, and launched other surprise assaults against Allied territories in the Pacific. Thus began a wider conflict marked by extreme bitterness. For most Americans, this war was fundamentally different than the one waged against Germany and Italy — it was a war of vengeance. For most Japanese, it was a war to defend their unique culture against Western imperialism. ... It appeared to both sides that it was a fight to the finish.

Instead of proving easy operations against an enemy on the verge of collapse, Iwo Jima and Okinawa became costly battles of attrition. ... By the end of the fighting on the two islands, total U.S. casualties for the first half of 1945 had exceeded those suffered during the previous three years of the Pacific war.

The Decision to Drop the Bomb

Harry Truman inherited a very expensive bomb project that had always aimed at producing a military weapon. Furthermore, he was faced with the prospect of an invasion and he was told that the bomb would be useful for impressing the Soviet Union. He therefore saw no reason to avoid using the bomb. Alternatives ... other than an invasion or atomic bombing ... are more obvious in hindsight than they were at the time.

Opposition to dropping the bomb on Japan without warning also came from ... Admiral [William D.] Leahy and General Eisenhower. Leahy said in 1950 that he had denounced the bombing as adopting "ethical standards common to barbarians in the dark ages," but 1945 documents only suggest that he was skeptical that the atomic bomb would ever work. Eisenhower claimed in 1948 ... to have opposed the use of the bomb in conversations with President Truman. ... But corroborating evidence for these assertions is weak.

After the war, estimates of the number of casualties to be expected in an invasion of Japan were as high as half a million or more American dead — twice the number of U.S. servicemen killed on all fronts during World War II. In fact, military staff studies in the spring of 1945 estimated 30,000 to 50,000 casualties — dead and wounded — in "Olympic," the invasion of Kyushu. Based on the Okinawa campaign, that would have meant perhaps 10,000 American dead. Military planners made no firm estimates for ... the second invasion, but losses clearly would have been higher.

Delivering the Bomb

The Army Air Forces quickly realized that a standard bomber group would not be able to carry out the mission. To ensure secrecy, a uniquely organized ... "composite group" trained in isolation for a mission ... kept secret even from them.

Ground Zero: Hiroshima and Nagasaki

On the morning of August 6, 1945, 544 first- and second-year students and eight teachers of the First Hiroshima Municipal Girls' High School were clearing rubble to create a firebreak ... some 300-500 meters (1,000-1,650 feet) from the hypocenter. They took the full force of the blast and heat. Most died instantly. A few apparently survived the initial explosion only to die in the flames that followed. ... Perhaps 16 of the 544 girls survived.

The Legacy of Hiroshima and Nagasaki

The introduction of nuclear weapons into the world, and their first use at Hiroshima and Nagasaki, left powerful legacies. ... For Japan, the United States and its Allies, a horrific war was brought to an abrupt end, although at a cost debated to this day; for the world, a nuclear arms race unfolded that still threatens unimaginable devastation.

THE DEBATE

... The script gives the impression that President Truman, in making his decision to drop the bomb, did it to impress the Soviet Union rather than to save American lives in any potential invasion of Japan. The script also conveys the idea that Truman was motivated by racism and that dropping the bomb was unjustified. Fact: the exhibit includes 49 photos of Japanese casualties and 3 photos of American casualties. There are many additional problems with the script, including that it does not sufficiently emphasize Japan's military aggression during 1931-1945.

Memo from Richard P. Hallion, the Air Force historian, April 19, 1994.

The United States Senate recently adopted a resolution sponsored by Senator Nancy Landon Kassebaum which reminded the Smithsonian of its "obligation under Federal law to portray history in the proper context of the times." ... The current (fifth) script of the Enola Gay exhibit utterly fails to "portray history in the proper context of the times."

... Certain irrevocable facts cannot be omitted without so corrupting the exhibit that it is reduced to mere propaganda, thus becoming an affront to "those who gave their lives for freedom." ...

The statements by General Dwight D. Eisenhower and Admiral William D. Leahy which reflected their opinion that the bombings were unnecessary should ... be re-inserted.

Letter to I. Michael Heyman, Secretary of the Smithsonian, from a group of scholars, Nov. 16, 1994.

The highest of the figures cited for the invasion of Kyushu at the June 18 (1945) meeting appeared to be those of Admiral Leahy, who said that he expected loss rates comparable to those suffered at Okinawa, or around 30 percent. Prof. Barton Bernstein of Stanford University ... [earlier] interpreted that figure to mean 30 percent of the 766,700 "total assault troops" Marshall [General George C. Marshall] had mentioned earlier in the meeting.

Letter from Martin O. Harwit, the curator of the Air and Space Museum, to the American Legion's internal affairs director, Hubert R. Dagley, Jan. 9, 1995.

From 3:30 to 5:00 P.M. the President conferred with the Joint Chiefs of Staff, the Secretary of War, the Secretary of the Navy, and Assistant Secretary of War McCloy. ... General Marshall and Admiral [Ernest J.] King both strongly advocated an invasion of Kyushu at the earliest practicable date. General Marshall is of the opinion that such an effort will not cost us in casualties more than 63,000 of the 190,000 combatant troops estimated as necessary for the operation.

A June 18, 1945 entry in Admiral Leahy's diary, as cited in Mr. Harwit's letter. Found by Professor Bernstein, it was used by curators to revise the exhibit's discussion of casualty estimates.

National Air and Space Museum officials, despite an accord reached with our representatives in September 1994 ... have restored to the exhibit highly debatable information which calls into question the morality and motives of President Truman's decision to end World War II quickly and decisively by using the atomic bomb. The hundreds of thousands of American boys whose lives were thus spared ... are, by this exhibit, now to be told their lives were purchased at the price of treachery and revenge.

Letter to President Clinton from William M. Detweiler, national commander of the American Legion, Jan. 19, 1995.

The Nation

How the Federal Reserve Drops Hints

By LOUIS UCHITELLE

IN voting Wednesday to raise interest rates for the seventh time in a year, the Federal Reserve couched the justification in its usual language — fear of rising wages and rising inflation. But there was another dynamic also in play that in a way preordained the rate increase days before it happened.

A dialogue developed in January between the Fed's policymakers and the bond market, the latter being a collection of people who trade or manage or own trillions of dollars in Government bonds and other securities. These securities depend for their value on interest rates. So naturally, the bond market has strong views about which way rates should be moving — lately up, thank you.

But January was unusual. The bond market people were unsure, for once, what they wanted rates to do. For more than a year, they had been beating the drums for higher rates to slow the economy and hold down inflation, which chips away at the value of their bonds. Then in January, tentative signs of a slowing economy finally appeared. And suddenly the bond people wondered whether they should switch horses and bet for a while on lower or unchanged

rates. They favored a slowdown, but they did not want to be blamed for a recession.

So a strange, indirect dialogue got started. Many of the members of the Fed's policymaking committee — 19 people who can change rates at their periodic meetings — made speeches or gave interviews in which they dropped loud, encoded hints that a rate increase was coming. And the bond people answered in the language that they speak, betting their bonds not on the likelihood of falling or unchanged rates but on the near certainty of another increase.

"We had been running in circles," said David Jones, chief economist at Aubrey G. Lanston, a bond house. "They were trying to figure out what the bond market was thinking and the bond market was trying to figure out what the Fed was thinking."

Different Goals

In this ritualistic dialogue, which everyone pretends is not happening, the reason for the Fed's existence is sometimes overlooked. Aside from fighting inflation, the Fed's mission, specified by Congress, is to keep the economy growing and Americans employed. That goal can get lost in any dialogue with the bond market, which puts slowing the economy to fight inflation ahead of putting the unemployed to work.

"The market is congratulating the Fed for its anti-inflation stance," said Stephen S. Rach, senior economist at Morgan Stanley & Company on Friday, referring to trading last week in which bond values rose. "Today, the unemployment rate shot up to 5.7 percent — from 5.4 percent in December — and that added further credibility to the view that the economy is moderating."

Whether by design or by accident, the Fed went to great pains to advertise the coming increase in the various rates that it either controls. These in turn influence other rates, among them interest charged on mortgages and car loans. One policymaker after another made the same basic point: The robust economic expansion is producing labor shortages, evident in the low unemployment rate. That inevitably means higher wages as employers bid for scarce workers. And since wages figure prominently in the cost of most products, rising wages inevitably force companies to cover the cost by raising prices.

"The current unemployment rate is comparable to the average of the late 1980's, when wages and prices accelerated appreciably," Alan Greenspan, the Fed's chairman, told a Congressional committee.

Never mind that neither rising wages nor rising prices have shown up yet in Government data. They will, Mr. Greenspan and his

colleagues suggested in their public declarations. They did rise in 1988 and 1989, when the unemployment rate was similarly low. And the economy has not changed that much.

Even Alan S. Blinder, the vice chairman, and Janet L. Yellen, a governor, offered this view in mid-January. "Whatever the danger was two months ago, it looks bigger now," Mr. Blinder said about inflation. That statement, in an interview, really got the point across to the bond market. Mr. Blinder and Ms. Yellen, being President Clinton's only appointees at the Federal Reserve, were the two people most likely to speak out against a rate increase, and they did not.

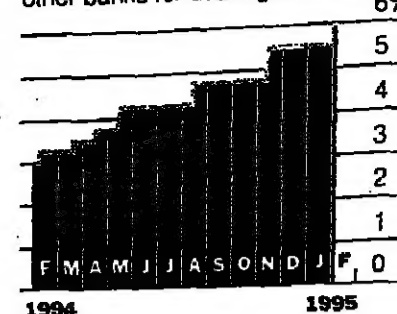
Clues in the Dialogue

So the Fed raised rates on Wednesday — specifically to 6 percent from 5.5 percent for loans that banks make to one another and that the Fed makes directly to banks — and the bond market gave its blessing. That raises a question: Should the dialogue be restricted to the Fed and the bond market, because they have the power? (Most of last year, for example, the bond market kept pushing up rates more than the Fed, which it considered too timid.)

Or should this dialogue include others? Any number of executives have tried to

Steps Right Up

A year's worth of the Federal funds rate, the rate that banks charge other banks for overnight loans.



Source: Datastream

The New York Times

sway the two principals by declaring that the economy has changed. They can't make price increases stick as they could in the late 1980's, they say. So they cut costs, often through layoffs, and when the Fed or the bond market, or both, slow the economy, that only adds to the cost cutting and layoffs.

Neither the Fed nor the bond market seem to take notice of this clamoring. Already their dialogue has moved into the next phase: what to do next about rates. "Despite tentative signs of some moderation in growth, economic activity has continued to advance at a substantial pace," the Fed said in a statement on Wednesday.

That sounds like the beginnings of another rate increase, which pleases the bond market. "The markets always have the final say," Mr. Roach said. "And this time the Fed has done a good job in reaching a sound conclusion with us."

To Campaign Is, First, to Beg

Continued from page 1

"very stimulating." His idea of relaxation: "I get back to my condo at 1 in the morning and have a martini, a frozen bagel and a can of sardines." (We'll see if Mr. Specter still finds that bagel so stimulating on a sub-zero night in New Hampshire a year from now — if he stays in the race, that is.)

Though Walter F. Mondale was ridiculed for saying that he lacked the "fire in the belly" to run for President in 1976, these days it is the people who do run who are seen as a bit, well, warped.

"If you want everything you believe in to be caricatured, made fun of and belittled, then run for President," Mr. Bennett said. "A day like these guys have would be like the labors of Hercules. I would die in a series of receptions. I strongly value my independence, my ability to tell people to bug off. And I'm not interested in GATT. I'm not interested in pesos. I'm not interested in all sorts of things."

Governor Campbell, who was also touted as a Republican prospect, said: "I sat down and looked at reality. How am I going to raise enough money to win in the New York media market?" He was also concerned about not having an income for two years and "putting everything personally I have on the line."

Of course, the trappings of a Presidency are king (albeit confining) — red carpets, monogrammed flight jackets, minous everywhere. But in a campaign's first stages, there is no Secret Service. No valet. (Men often try to look fresh by changing shirts a few times a day and shaving on the fly.) No Air Force One.

Often candidates fly commercial. But not in first class, then they would appear elitist. On a recent flight to Baton Rouge, La., former Gov. Lamar Alexander of Tennessee practically apologized when a reporter (who was traveling in first class) caught him up front. "I was lucky to get the upgrade," he said sheepishly.

Past candidates have ugly stories. "I felt like a total whore, running after rich people begging with your tin cup," said Representative Patricia Schroeder of Colorado, who flirted briefly with seeking the Democratic nomination in 1988. "It was all very phony: You pretend like you were in Memphis when you really were in the Memphis airport. And you didn't really talk to anybody but the reporters who were with you on the plane."

Former Gov. L. Douglas Wilder of Virginia, who carries himself as a man of dignity, also has bad memories his "quite humbling" run for the Democratic nomination in 1992. "You've got to look good 24 hours a day," he said, "even though you've only got a chance to brush your teeth once."

Mr. Wilder felt like a nobody in the small towns of New Hampshire. "I'd go up to people and say, 'I'm Doug Wilder and I'm running for President and need your vote,'" he said. "They'd say, 'Where are you from? What do you do? Why do you think you should be President?' It shows how little known you are."

Weeding Out the Sane

For the republic, there is also the danger that the process weeds out the best candidates. "You have to ask yourself, why would a reasonably content, sane person think about running for President?" said Steven Merksamer, a lawyer in Sacramento and adviser to Mr. Kemp and other prominent Republicans. "You could also make the case that if you can survive the process you can survive the Presidency."

Still, some people are willing to endure practically any indignity to get to 1600 Pennsylvania Avenue. Sheila Tilley, who was a housemaid at the since-shuttered Highway Hotel in Concord, N.H., has cleaned rooms of many hopefuls. "I once popped in on Ronald Reagan before he was President," she said. "He always seemed sleepy but never tired. Now you take someone like McGovern. He was so tired he thought he was in another state once. 'What state am I in?' he asked me."

"I've seen aides to candidates have to do more than nudge a candidate out of bed," Mrs. Tilley added. "I've seen candidates leave a bed in a fever, in minus-10-degree temperature outside and go back on the campaign trail. You must want it bad to do that."



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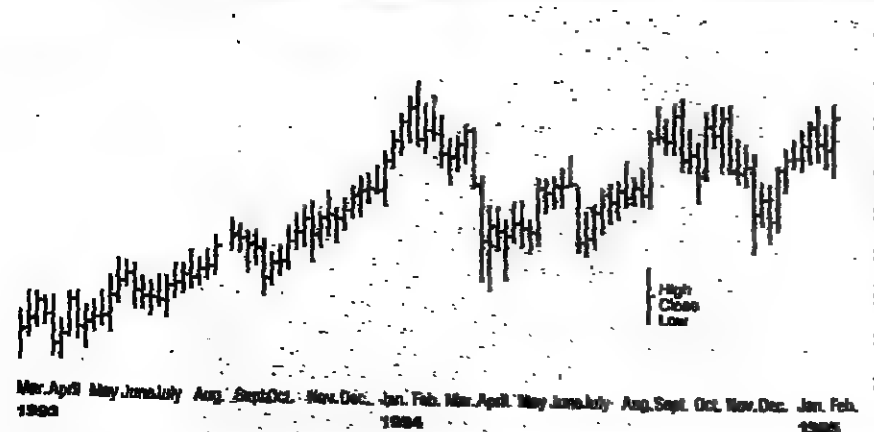
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The Stock Markets Last Week

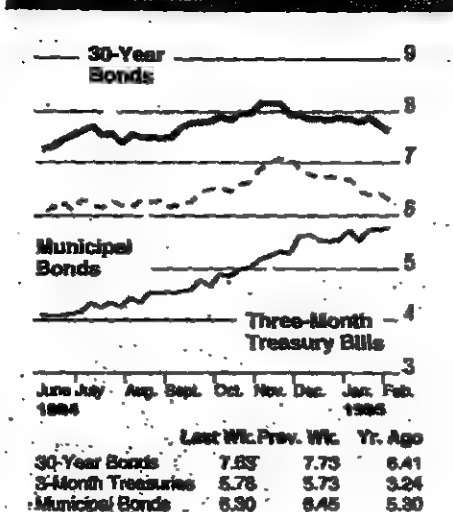
DOW JONES INDUSTRIAL AVERAGE



MARKET DIARY

	NYSE	NASDAQ	AMEX
Advanced	1,843	2,450	449
Declined	873	1,973	328
Unchanged	359	924	166
Issues Traded	3,075	5,347	945
New Highs	137	177	41
New Lows	172	144	57

INTEREST RATES



MARKET INDEXES

	Close	Chg	%Chg	YTD %
D. J. Indust	3,928.64	+70.65	+1.83	+2.46
D. J. Transp	1,511.15	-12.35	-0.81	+3.86
D. J. Util	195.62	+3.42	+1.78	+7.77
S&P 500	478.65	+8.26	+1.76	+4.22
S&P Indust	563.89	+9.20	+1.66	+2.99
NYSE Comp	260.44	+4.55	+1.78	+3.79
Nasdaq	772.06	+13.15	+1.73	+2.67
Amex	442.43	+5.68	+1.30	+2.02
Russell 2000	250.78	+2.31	+0.93	+0.17
Wilshire 5000	4,715.22	+85.58	+1.85	+3.85
Value Line	282.46	+3.18	+1.14	+1.78

New York Stock Exchange

MOST ACTIVE				PERCENTAGE GAINERS				PERCENTAGE LOSERS			
Vol. (00)	Last	Chg.	Pct.	Last	Chg.	Pct.	Last	Chg.	Pct.		
TelMex	511,336	34 1/4	+ 1 1/2	GrHous	14 1/4	+3	26.4	Trinkl	18 1/4	-13 1/2	-41.7
FormD	309,482	25 1/4	+ 3/4	RegFit	15 1/4	+ 2 1/4	23.2	UDCH pA	6 1/4	- 2 1/4	-28.4
EMC s	287,919	17 1/4	+ 1 1/4	Mediom	5 1/4	+1	20.5	BorgWm	7	-2 1/4	-26.3
RJR pC	270,565	6 1/4	+ 1/4	Cycare	17 1/4	+3	20.2	WtX wt	5 1/4	- 2 1/4	-25.8
SanFAPC	217,715	19	+ 1/2	Tokham	9 1/4	+ 1 1/4	17.7	MarkD	9 1/4	-3	-24.0
WalM	198,062	24	+ 1 1/2	Capitol	20 3/4	+ 3 1/4	17.7	UDCH pB	5 1/4	-2	-23.5
RJR	192,745	5 1/4	+ 1/4	ICNPH	32 1/4	+ 4 1/4	17.4	CashAm	8	- 1 1/4	-16.9
Compq s	177,862	36 1/4	+ 1 1/2	IONP	21 1/4	+ 3 1/4	17.0	BestBy	25 1/4	-5	-15.8
Merck	164,302	39 1/4	+ 1	AmWat	7 1/4	+ 1 1/4	16.7	Premk	39 1/4	- 7 1/4	-15.4
AT&T	155,505	51 1/4	+ 1 1/4	Outdard	21 1/4	+3	15.9	WHK	11 1/4	-2	-14.4
McDoll s	149,483	32 1/4	+ 1/4	SpitSup	13	+ 1 1/4	15.6	Tatman	23 1/4	- 3 1/4	-14.0
PepsiC	149,270	38 1/4	+ 2 1/4	GSU pE	6	+ 1 1/4	15.4	MgmC wt	7 1/4	- 1 1/4	-13.2
GrpTelv	147,006	22 1/4	+ 1 1/4	SunMed	34	+ 4 1/4	15.3	Bufoleind	12 1/4	- 1 1/4	-12.9
GM	141,169	39 1/4	+ 1 1/4	Fidalg	18 1/4	+ 2 1/4	15.1	LaLand	33	- 4 1/4	-12.9
Citip	128,126	43	+ 1 1/4	CompTek	10	+ 1 1/4	14.3	PikPar	17	- 2 1/4	-12.3

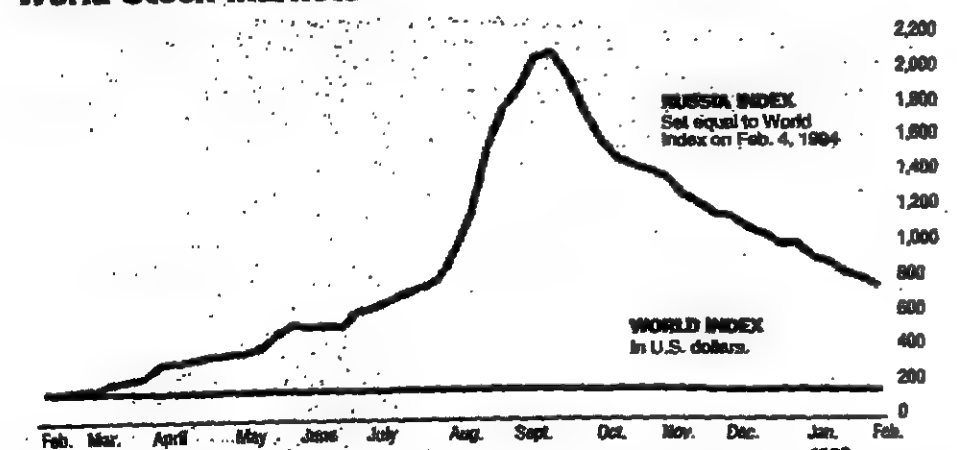
Nasdaq

MOST ACTIVE				PERCENTAGE GAINERS				PERCENTAGE LOSERS			
	Vol. (00)	Last	Chg.		Last	Chg.	Pct.		Last	Chg.	Pct.
Intel	283931	73 1/4	+ 2 1/4	GrMic	5 1/4	+2 1/4	54.6	BereFl s	10 1/4	- 6	-36.9
MCI	192154	19 1/4	+ 1 1/4	ACTV	6 1/4	+2 1/4	48.7	ColexOp s	10 1/4	- 5 1/4	-34.6
Cisco s	187261	35 1/4	+ 1 1/4	Indigo	29 1/4	+ 9 1/4	45.3	Socin	6 1/4	-2 1/4	-29.0
Micra s	180288	60 1/4	+ 1 1/4	ClubCar	24 1/4	+7 1/4	45.3	SuttnRes	13 1/4	-4 1/4	-24.7
TelCom A	148514	21 1/4	+ 1 1/4	Moviem A	5 1/4	+ 1 1/4	43.3	Pictva pI	4	-1 1/4	-23.8
VLSI	138814	13	+ 1 1/4	Elmnd wt	5 1/4	+1 1/4	42.9	Autota s	7 1/4	-2 1/4	-23.1
Autota s	130470	7 1/4	+2 1/4	BVRTC	5	+ 1 1/4	42.9	AbleTel	5 1/4	-1 1/4	-22.2
Novell	127203	18	+ 1 1/4	QuicksV	16 1/4	+4 1/4	39.8	TruEnt	4 1/4	-1 1/4	-20.8
Amgen	119949	62 1/4	+ 1 1/4	Corvita	5 1/4	+1 1/4	36.4	Caere	11 1/4	-2 1/4	-20.5
BayNetw s	112739	31 1/4	+ 1 1/4	Tripos	5 1/4	+1 1/4	35.3	WinAlin s	4 1/4	-1 1/4	-20.0

American Stock Exchange

MOST ACTIVE				PERCENTAGE GAINERS				PERCENTAGE LOSERS			
Vol. (00)	Last	Chg.		Last	Chg.	Pct.		Last	Chg.	Pct.	
IntDigM	90611	11 1/4	+2 1/4	NatAlt	6 1/4	+1 1/4	33.3	MerLUST wt	4 1/4	-1	-18.2
Vision B	39278	46 1/4	+1 1/4	IntDigM	11 1/4	+2 1/4	27.6	IntLotry n	7 1/4	-1 1/4	-17.1
Echobly	29649	9 1/4	...	TpStech	7 1/4	+1 1/4	23.9	Aprogn	6 1/4	-1 1/4	-14.8
InvCp	21083	22 1/4	+1 1/4	KelyOG	5 1/4	+1	23.5	SwedExp wt	5 1/4	-1	-13.8
Cheyft s	17345	14 1/4	+3/4	ThCard s	22	+3 1/4	18.9	MMed	10 1/4	-1 1/4	-12.6

World Stock Markets



Prepared by Goldman, Sachs & Co. using data derived from the FT Actuaries World Indices, a measure of stock market performance. The FT Indices are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

PERFORMANCE		IN U.S. DOLLARS					IN LOCAL CURRENCY				
Country	Index	Week % Chg.	Week Rank	YTD % Chg.	YTD Rank	Dividend Yield	Index	YTD % Chg.	Exchange Rate to \$	YTD % Chg.	
Australia	161.80	-2.2	23	-5.7	17	4.04	142.95	-2.9	1.3284	-3.0	
Austria	169.21	-3.5	24	-7.4	21	1.21	134.36	-8.7	10.7535	1.4	
Belgium	168.63	0.0	19	0.1	11	4.23	130.56	-1.3	31.3945	1.4	
Britain	153.98	-0.6	21	-0.4	13	4.21	183.77	-0.5	0.639	0.0	
Canada	126.47	2.3	7	-2.3	16	2.70	128.43	-2.3	1.4025	0.0	
Denmark	255.21	1.4	11	1.7	6	1.42	209.00	0.6	6.015	1.2	
Finland	188.94	1.3	12	1.6	7	0.74	187.30	1.3	4.7226	0.3	
France	161.62	0.7	16	-1.2	14	3.20	134.28	-1.9	5.296	0.6	
Germany	141.06	0.2	18	-1.6	15	1.86	111.84	-3.2	1.525	1.6	
Hong Kong	299.77	3.2	5	-8.1	22	4.20	297.62	-8.1	7.733	0.1	
Ireland	210.11	-0.2	20	1.9	5	3.33	191.22	1.6	0.6459	0.2	
Italy	81.20	1.3	13	7.8	1	1.59	97.84	7.3	1613.38	0.5	
Japan	145.68	2.4	6	-7.2	20	0.83	91.77	-7.3	99.675	0.1	
Malaysia	447.51	5.3	1	-6.6	18	1.92	440.10	-6.6	2.5535	0.0	
Mexico	1032.48	4.2	2	-22.9	24	1.58	647.97	-15.0	5.425	-9.2	
Netherlands	219.80	-0.9	22	1.3	8	3.37	171.50	-0.2	1.7095	1.5	
New Zealand	73.68	1.5	9	4.6	2	4.76	61.44	5.1	1.5704	-0.5	
Norway	214.57	0.8	15	0.7	9	1.78	194.58	-0.6	6.881	1.2	
Singapore	347.88	3.5	4	-6.8	19	1.84	233.59	-6.8	1.458	0.0	
South Africa	303.74	3.6	3	-9.8	23	2.47	289.53	-10.1	4.06	0.4	
Spain	132.48	1.4	10	0.4	10	4.27	133.07	1.1	132.535	-0.7	
Sweden	240.32	0.9	14	4.0	4	1.53	266.06	4.6	7.4783	-0.6	
Switzerland	164.81	0.3	17	-0.2	12	1.65	131.62	-1.6	1.2901	1.4	
United States	195.19	1.8	8	4.5	3	2.85	195.19	4.5			

COMPOSITE INDICES

	Index	% Chg.	Rank	% Chg.	Index	% Chg.	Rank	% Chg.
Europe	168.24	0.0	0.2	3.11	149.93	-0.5		
Europe/Pacific	158.47	1.3	-4.0	2.05	119.56	-4.3		
World	170.89	1.6	-1.3	2.35	144.72	-1.4		

Source: Goldman, Sachs & Co. Exchange rates as of Friday's London close.

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The Economy

Is This What the Federal Reserve Was Waiting For?

That was quick. On Wednesday, in the most unsurprising event of the week, the Federal Reserve raised interest rates half a point, putting the Federal funds rate at exactly twice its level of a year ago (in the days of mortgage-refinancing bliss). And on Friday came news that January's unemployment rate had turned higher for the first time in over two years, to 5.7 percent from 5.4, with job growth at a weak 134,000. That's bad news for the jobless, of course, but it's just what the Fed wanted — a too-strong economy means inflation. But even as the Fed clamped down over the past year, the unemployment rate headed stubbornly lower — until that mirror image cracked last week. Needless to say, the stock market was giddy, with the Dow Industrials rushing ahead by 57 points, its largest jump since summer, on the Big Board's sixth-busiest day ever.

FEDERAL FUNDS RATE

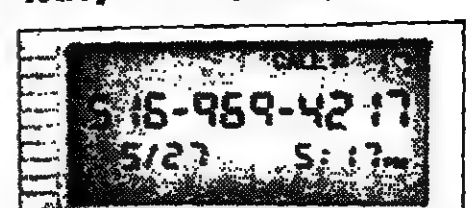


UNEMPLOYMENT RATE



Sources: Associated Press, DataStream

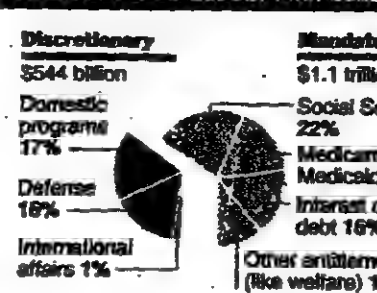
Totally Private! (Usually)



Don't worry, the future-tech folks keep telling us — all this fancy stuff we're throwing at you won't invade your privacy one iota. Take caller ID — that miracle technology that broadcasts your number to friend and marketer alike. Totally safe, Nynex insisted. You can be protected if you wish. Right. Last week it turned out that up to 30,000 customers hadn't gotten the privacy they'd been promised. Nynex "botched it," said one privacy advocate. And who knows what other privacy lapses lurk out there, waiting to rear their all-too-public heads. (Are you safe from caller ID? Call Nynex at 800 634-2006.)

Balanced? Not Even Close

PRESIDENT'S '96 BUDGET PROPOSAL



Source: Office of Management and Budget

While the House was indulging in soft-focus visions of balanced budgets, the Administration had to come up with numbers. In a budget the President submits to Congress tomorrow — if he has any sense, he'll drop it on the Capitol's doorstep and run — Mr. Clinton proposes \$81 billion in deficit cuts through 2002, but deficits still in the \$190 billion range for a decade or so. It's hard to see how he could do otherwise — much of the budget is, even on Republican terms, untouchable. The Contract With America calls for balance by 2002, but gives no recipe for that miracle.

Yes! Really! It's Opening!



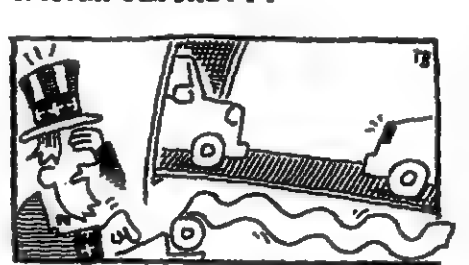
R. Ernest Jordan for The New York Times

What price progress? Let's see. In Denver, that snazzy new airport — the one whose Space Age baggage system is said to treat suitcases with great disrespect — will finally open this month after numerous delays, having cost \$4.2 billion. For Denver, it can't come too soon — it's paying \$1 million a day in bond interest. But put it on a human scale: the new airport will put travelers fully 23 miles from downtown, and last week several airlines said a round trip to or from Denver would cost \$40 more when the airport opens. And the infamous baggage system? For now a traditional system will move the bags. The automated system might, uh, be ready in a year or so.

Sign of Good Banking Times

Sometimes things sneak up on you, the way you suddenly realize a headache has disappeared. That was the sense last week when the Government proposed slashing bank fees for deposit insurance — by perhaps \$5 billion a year. The message, of course: bank failures, once a regular ritual, barely happen now. If there's justice, that means bank customers will get a slightly better deal — higher interest to earn, lower interest to pay. But what of savings and loan fees? Not yet, the F.D.I.C. said. Which means the S & L industry will be at a distinct competitive disadvantage in attracting depositors.

If It Ain't Broke . . .



It's an old theory: If it works, fix it. In that spirit, Detroit came up with a new way of giving report cards on itself. The result, chaos. Auto makers used to take two days to tally things up, then report sales on the month's third business day. Neat and consistent. But some of them decided to go to the first day, with the result, last week, that no one really knew what to make of these crucial figures — too many asterisks, too many holes. Not till Friday — the 3d — did all become clear: growth continues, but it's slower.

Helping Mexico, Somehow

It was messy, but it looks as if Mexico will get help. First, President Clinton gave up on his own Congress and just said he'd do it on his own, with emergency authority. The loans he promised came to just half the \$40 billion he'd tried to get with Congress's seal of approval, but with more from other nations, that could hit \$50 billion. It wasn't exactly neat getting the European allies to go along, though, for six nations — Britain, Germany, Denmark, the Netherlands, Belgium and Switzerland — balked at supporting the I.M.F.'s slice. The package was approved, but those nations wanted to vent their irritation that they'd had so little time to think it over. They clearly weren't sympathetic to Mr. Clinton's need for a decisive move.

Ben & Jerry . . . Not You

Hmmmm. President of Ben & Jerry's. The warm glow of running a "socially responsible" company. (Plus, no doubt, all the designer ice cream you could eat.) Sounded tempting to 20,000 or so hopeful souls, who responded to an invitation to demonstrate, in 100 yummy words, why they had the right stuff. Bad news, folks. The job's been filled. Last week Ben & Jerry's, whose ice cream provides 107.2 percent of your daily recommended allowance of guilt, named the winner: Robert Holland Jr., once a McKinsey turnaround consultant. Yes, one finalist did come in the mail. Close, but no Cherry Garcia — which happens to be one of Mr. Holland's favorites. (What would you expect him to say — Häagen-Dazs's rum raisin?)

World Markets/Paul Lewis

A Headlong Crawl Toward Capitalism

HOPE we can avoid a Mexico-type collapse," Hungary's reformist-minded former Finance Minister, Laszlo Bekesi, said last week after being dismissed in a battle over plans to accelerate the privatization of state-owned companies and complete the country's transition to a market economy by 1998.

His warning, as well as his fall from grace, are the latest signs that five years after the countries of Eastern Europe and the former Soviet Union began their march toward capitalism, several of the most important are stumbling just as their economic prospects start to improve. After suffering several years of sharp contraction, Poland clocked the highest economic growth rate in all of Europe last year at 4.5 percent, while Hungary and the Czech Republic finally made it into positive figures. Although Russia saw its economy shrink by another 12 percent in 1994, industrial output stopped falling last summer and consumption is rising. Yet the undoubted triumph of Russia's transition bid so far — the privatization of some 14,000 state enterprises — is being challenged by hardliners at the same time the bill for the Chechnya war imperils the Government's economic stabilization drive.

Meanwhile, Hungary and Poland are wavering on privatization, and while the Czech Republic has sold off 90 percent of its economy, this may not be enough to make efficient the companies that were sold. "The more favorable economic outlook for 1995 creates the illusion that they have done all they need to do," said Lado Gargenzide of the Institute for East-West Studies in New York. Andrzej Rapaczynski who directs a study project on central European privatization at Columbia University, noted, except for the Czech Republic, privatization is stymied. In Moscow, President Boris N. Yeltsin has replaced Vladimir Plevanov as privatization minister after he had called for the "renationalization" of strategic industries

falling under foreign control. But signs of a nationalistic backlash within the Russian Government against foreign investors are still clearly visible.

Last month, the conservative daily newspaper Rabochaya Tribuna published documents, reportedly leaked by the security services, warning that Western investors want to "guarantee the technological backward

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The Two-War Fantasy

The Pentagon has become a master of illusion, holding Congress spellbound with the proposition that U.S. armed forces must be capable of waging and winning two major regional wars simultaneously. The corollary follows easily: If Congress approves a defense budget short of the two-war mark, it will jeopardize the country's security.

Gauging America's security needs at a time of diminishing threats and declining budgets requires a more realistic assessment of dangers and the forces needed to meet them. Peace has not settled over the world and Washington should not give up its military superiority. But before Congress is finished trying to balance the budget by the year 2002, it will have to take a second look at defense spending. When it does, it needs an honest picture of the threats facing the U.S. after the disintegration of the Soviet Union.

A military strategy built around two major regional wars levies unsustainable requirements on the size of the armed forces, their readiness to go into battle on short notice and the airlift and sealift to transport and supply them. The requirements are so demanding they exceed the Pentagon's ability to meet them within the budget levels now being contemplated — even by Republicans who want sharp increases in defense spending.

The Pentagon imagines the equivalent of the Korean War and the Persian Gulf war happening at the same time. But with China and Russia consumed with internal concerns, the threat posed by North Korea or Iraq looks much different than it did during the cold war, or before Iraq was battered by allied forces in 1991.

Gen. Gary Luck, the commander of U.S. forces in Korea, said last week that North Korea's military

power is eroding — its weapons are aging and not well maintained, its forces exercise too infrequently to be ready for war. Its artillery remains within range of Seoul and most of its forces are located so near to the North-South dividing line that they could punch through part of the South's defenses, but a war would soon turn suicidal for the North. Other senior commanders acknowledge that Iraq is hardly the menace it once was.

One rough measure of threat is the defense budgets of North Korea and Iraq. North Korea is spending less than \$6 billion a year and Iraq less than \$3 billion. The current Pentagon budget is \$252 billion. The U.S. is nearly outspending the rest of the world combined. Of the countries with the next 10 largest defense budgets, only Russia and China are not U.S. allies, and they pose no near-term threat.

Pentagon comparisons of the relative firepower of American and enemy forces show the U.S. has more than 10 times the tank capability of North Korea or Iraq, and more than 20 times their capability in fighter aircraft. In sheer numbers of tanks, aircraft and naval vessels the U.S. holds a strong advantage over any likely foe.

Then there is American technological supremacy, which was so evident in the Gulf war. In weapon after weapon, from F-117 stealth fighter-bombers with laser-guided bombs to counter-artillery radars, American forces have an overwhelming edge.

At a time when Americans are reluctant to send troops anywhere, the prospect of waging two wars at once seems improbable. Defense Secretary William Perry himself calls it "entirely implausible." With wrenching budget cuts coming in domestic programs, the Pentagon cannot expect Americans to subsidize defense fantasies.

Washington's Other Crisis

The nation's capital — Washington D.C. — has a budget deficit equal to almost one-quarter of its whole budget. The rapidly worsening fiscal mess is a scandal, largely the result of years of lax management by mayors and City Councils. But it also reflects underlying political and economic forces that keep the city in the poorhouse.

The first responsibility for a solution lies with Mayor Marion Barry and the Council. In that respect, the Mayor's emergency plan, announced Thursday, was disappointing. It put too much emphasis on the need for a Federal bailout while proposing too little in the way of new cutbacks.

Even so, the District's financial bind is so desperate that Congress must probably act, too — with constructive help, not punishment. But the crisis should not be an excuse, as some critics threaten, to end the District's two-decade experiment with limited home rule.

The District's plight is clear enough: a large and growing welfare and Medicaid population, a declining base of working taxpayers and constraints on its ability to raise its own revenues. But its political leaders made things worse by building one of urban America's most bloated and least efficient bureaucracies.

When the current fiscal year began last Oct. 1 it appeared the budget would be \$140 million in the red, and Congress told the District to start trimming. A month later the projected deficit had grown to \$250 million, by late January it was \$600 million, and last week Mayor Barry said it will reach \$722 million — in an overall budget of \$3.2 billion.

The escalation reflects recently discovered bills the District incurred but has not paid, especially for Medicaid. Mayor Barry and his predecessor,

Sharon Pratt Kelly, blame each other. Either way, fiscal management has been sloppy in the extreme.

But the District operates on difficult terms. Unlike other troubled cities, it has no state government to help it absorb costly services like health care, welfare and education. It cannot even control its own revenues and expenditures. Congress approved a limited form of home rule for the District in the 1970's but kept budget control — even though most spending is covered by local taxes that Washingtonians pay directly to the District. The District's taxing power is further hobbled by the vast presence of the Federal Government, foreign embassies and nonprofit institutions, all tax-exempt.

Mayor Barry has now proposed spending cuts of some \$200 million, and has asked Congress to cut the wages of city workers if their unions continue to balk at negotiating. He also wants Congress to pick up \$267 million in immediate Medicaid costs. For the longer term, he proposes that the Federal Government take over Medicaid, mental health services, the local prison and courts, and the largest welfare program. He will have a hard time convincing Congress.

Given the District's awkward status, as a vassal of Congress with no state government as a buffer, it will need Federal assistance of some kind now, maybe even Federal assumption of local poverty and Medicaid burdens. But there is a risk that Congress will demand still greater control of District affairs. It might be justified in creating a financial control board to keep watch on the District budget. But this crisis is not sufficient reason to strip the District of the limited home-rule powers it fought so hard to get.

Students Without Desks

Imagine conducting a second-grade class on a stairway landing, or holding science classes in a hallway, or having your office in a boys' lavatory. These are real-life scenes that too many New York City teachers and schoolchildren do not have to imagine. City schools are now so overcrowded that 1 out of every 11 students does not have a desk or chair. Gymnasiums, auditoriums, even closets have been converted to classrooms.

The space crunch will get worse. Total enrollment is expected to increase by 250,000 students in the next eight years, swelling the school population to more than 1.2 million by the year 2003. These projections far exceed the system's ability to produce classroom seats — especially now that operating and capital budgets for schools are being slashed to help balance the city budget.

Board of Education officials are considering a variety of solutions, including year-round schools. But ultimately the problem cannot be solved without more money, which makes the situation sound hopeless in this time of straitened budgets. But Albany can help New York City come by it fairly. Currently other municipalities receive a larger subsidy for school construction than the city.

Increased immigration is largely responsible for the surge in students. Higher birth rates from 1981 to 1990, plus the explosive growth of special education, which requires smaller classes, have also contributed. The problem, most acute in elementary and high schools, affects every borough.

Schools Chancellor Ramon Cortines has embraced an endorsement of year-round classes made last week by a citizens' commission he appointed. That recommendation was echoed in a report by

City Comptroller Alan Hevesi. Mr. Cortines will start a pilot program of year-round classes this summer in at least two high schools. He will also push the 32 community boards to keep at least some elementary and junior high schools open for 12 months.

A year-round calendar makes sense, and everything should be done to make it happen. But it will not be an easy task. Most of the city's more than 1,000 school buildings are not air-conditioned and could be unbearable in the summer. Using the air-conditioned schools will address only part of the problem, and it will be hugely expensive to air-condition many of the system's older buildings. In addition, principals, teachers and other school staff would have to be paid on a year-round basis.

The Chancellor's commission and Mr. Hevesi also recommend double shifts, student transfers from crowded districts to less crowded ones and renewed efforts to lease vacant commercial space. These are mostly temporary expedients. A lasting solution will require fresh capital to provide air-conditioning, redesign older buildings to accommodate more students, or even — in the best of circumstances — build a few more schools.

The board's capital budget, which had already been cut from \$7.5 billion to \$3.4 billion, will be trimmed by \$800 million more over the next four years. With more money unlikely to come from City Hall, the State Legislature must help. It reimburses districts elsewhere in the state for half the cost of school construction; New York City gets only 40 percent. That is a longstanding inequity that needs to be addressed and corrected. At risk is the education of thousands of children.

How to Keep PBS (and Satisfy Conservatives)

To the Editor: Congressional debate over the Federal Government's contribution in support of the Corporation for Public Broadcasting appears to be nearing the decisive stage.

There are apparently three major reasons for the possibility — indeed, the likelihood — that financing will be either drastically reduced or eliminated entirely: pressures to reduce the Federal deficit; ideological hostility to governmental subsidization of such services, on the ground that their provision ought to be left to private enterprise, and a belief that PBS programming has displayed an unacceptable liberal or radical bias.

I will concentrate on the first of these in the hope that there remain members of Congress who do not share the ideological objections or are prepared to install additional protections against bias in numbers sufficient to save the Corporation for Public Broadcasting if they could see a solution to the budgetary considerations.

There is one such, simple and logical. It is also familiar, but I have been surprised to see how rarely it has been mentioned: Charge commercial broadcasters a fair fee for use of the radio spectrum — which belongs to all of us — and use the proceeds to maintain the present fund level for the broadcast agency.

Ideological opponents of PBS will of course denounce this as a proposal to increase taxes. They should be reminded that the Reagan Administration was a strong proponent of user fees for governmentally provided services; and we should at every opportunity expose the hypocrisy of railing against "government handouts" and the welfare state while demanding free use of scarce public resources — as some cattle ranchers in Colorado do regularly, without evident embarrassment.

The connection between this proposed source and use of funds is clear. When we gave commercial broadcasters free use of the airwaves, an important quid pro quo was that they were to provide a wider range of public service, educational programming than would be in their purely commercial interest to offer.

That requirement has been severely and explicitly diluted over the last decade or two: witness the lifting of the requirement of special

educational broadcasting for children. PBS fills that gap in precisely the same way as free public libraries and public education generally.

The gap is not total. Networks like Arts & Entertainment, Bravo and the Learning and Discovery Channels do offer some excellent quasi-educational programming. But it is for only a limited number of hours — a small fraction of what PBS broadcasts all day — and, even more important, it is available only on cable.

Only about 60 percent of our households subscribe to cable, even though it is available to some 96 percent; the average household income of subscribers was \$41,200, the average income of nonsubscribers, \$29,300 in 1992, according to the latest edition of "Cable TV Facts."

The value of the spectrum handouts to broadcasters is decisively reflected on those rare occasions when television stations are sold and the price is announced: it appears typically to be many times what it would have cost to duplicate their

see exhibitions of the work of two important satirical American artists: George Grosz, who arrived in the United States in 1933, became a citizen in 1938 and lived on Long Island until a few weeks before his death in 1959; and Robert Cenedella, his last pupil, who still lives and works in SoHo in New York City.

Neither artist has a ghost of a chance of having exhibitions with this degree of serious political punch, humor and self-criticism shown in public museums in this country because of the drastic claims by members of our Government that the "American public" prefers peace and tranquility to the freedom to exercise its democratic rights to see everything, hear everything and decide for itself what it wants to buy or not to buy.

I was astonished to read that Senator John Ashcroft was advising the Senate Committee on Labor and Human Resources that the arts should avoid topics dealing with religion and politics (news article, Jan. 27). "To the extent that we stay in the broad area of consensus, we avoid controversy" were his words. So where is space for experiment and critique of social and political abuses if artists, writers and performers get financed only if they creep under the blanket of "consensus"?

And this at a time when new polyglot social and cultural worlds are emerging not just here but in Europe, Africa, Asia and the Pacific?

Vaclav Havel, President of the Czech Republic and former dissident, knows all about writing for "consensus." So does President Nelson Mandela of South Africa. Is our social fabric so perfect that we can now dispense with open discussion and display? Is critique something that is good in other countries but too dangerous here?

Galileo was punished for disturbing the consensus, but nowadays we give scientists lavish public funds for many experiments that will lead nowhere in the hope that one day they may come up with a useful result. Why can't we trust our artists and our writers, and be less afraid to explore the limits of our moral imagination, individually and collectively?

Berkeley, Calif., Jan. 30, 1995
The writer is an associate professor in the program in critical theory, University of California-Davis.



Example of a

plant and equipment. The difference belongs to the public, and it should be used to provide the public goods that over-the-air broadcasters simply do not.

ALFRED E. KAHN
Ithaca, N.Y., Jan. 30, 1995

The writer retired as the Robert Julius Thorne Professor of Political Economy at Cornell University.

Art by Consensus?

To the Editor: In Berlin at present — 50 years after the end of World War II — there is a wonderful opportunity to

Entitlement Mind-Set Slows Our Progress

To the Editor: "Governor Whitman's Trade-Offs" (editorial, Jan. 27) is a first-rate piece of backward liberal thinking. You suggest that the elimination of New Jersey state jobs to cut taxes is "a brutal transference of state salaries into the pockets of taxpayers." Where do you suppose the money for these jobs originates?

Does the decision to defer a new car purchase represent a "brutal transference" of cash from the auto companies to the consumer? Do we do you a disservice on days that we do not buy The New York Times? Of course not. No one has a right to our earnings by virtue of their existence.

To suggest that groups or individuals are automatically entitled to a cut of our income is counter to the principles of this country. Compensation goes to those who provide a service in demand by society. When society either chooses not to or can no longer afford these services, it allocates its capital elsewhere.

The attitude you state is a trap that prevents tax and welfare reform and discourages individuals from accepting responsibility for their actions. Until people recognize they must earn their rewards, we will find it hard to move forward as a nation.

THOMAS K. GRUNDMAN
JAMES P. FERGUSON
Tenafly, N.J., Jan. 30, 1995

Investors Drop Mexico and Woo Peru

To the Editor: Now that Mexico is no longer the darling of Latin America among investment bankers, it is good to know that Peru is. Your Jan. 31 Business Day juxtaposition of "Peru: On the Very Fast Track" with "Plunge by Mexican Peso Jars U.S. Stocks" is ironic.

The Wall Street analysts who were so bullish on Mexico right up until the peso plunged in December now reassure investors that "Peru keeps getting better and better."

True, economic growth of 12 percent last year was the world's highest, but off what base?

The answer is buried in the article: "From 1988 to 1992, the economy shrank by 25 percent — more than the 21 percent growth it has recorded during the last two years."

Between 1981 and 1988, the economy grew just 2.4 percent. Glowing forecasts are just forecasts.

You fail to mention Peru's current account deficit, the source of Mexico's problems. Receipts from privatization help offset this, but these are one-shot inflows that Peru will be unable to count on once the sell-off of state companies runs its course.

As in Mexico, foreign investment is helping sustain the balance of payments. So is portfolio investment.

But perhaps it is not such a good thing that "last year's surge of foreign investment — largely American — pushed the exchange index up 50 percent in dollar terms." If Mexico

has illustrated anything, it is that an excessive reliance on foreign portfolio investment makes a country vulnerable to a quick crash.

Peru deserves enormous credit for aggressive privatization, deregulation of the economy, the taming of hyperinflation, huge improvement in domestic security and introduction of a private pension fund system. But investors should be wary. The problems of a country like Peru do not disappear in one presidential term.

HELEN M. CUNNINGHAM
New York, Jan. 31, 1995

The writer was an editor of *Business Latin America*, a newsletter, 1984-88.

Voices of Women

To the Editor: Your Jan. 30 news article about the brewing border conflict between Ecuador and Peru noted that 18 women's groups in both countries issued a joint statement warning their peoples against falling into "the war trap."

This is a remarkable development, which needs encouragement.

When the conflicts in the former Yugoslavia began, there was a little-noted movement of women who took to the streets to protest the growing violence. Their voices are no longer heard. Might it have made a difference if the world had lent them moral support?

HEATHER STERNER
San Francisco, Feb. 1, 1995

Gen. Marshall Saw Dropping of Bomb on Japan as Necessary

To the Editor: Re "Hiroshima, Rewritten" (Op-Ed, Jan. 31): Who can argue with Barton J. Bernstein that debate should occur about the use of the atomic bomb and that those who question the decision are not unpatriotic for so doing? However, much of what he writes is so selective that we can understand why it raises the hackles of those who disagree with his view that the bomb was unnecessary and immoral.

Mr. Bernstein misrepresents Gen. George C. Marshall's complex views on the use of the bomb. In our documentary "George Marshall and the American Century," Forrest Pogue, World War II historian and Marshall's biographer, agrees that "Marshall certainly had reservations about the use of the bomb, but after the tremendous losses at Okinawa (April-June 1945) he decided it would have to be used."

It was General Marshall who wrote and signed the letters to parents and wives of soldiers killed in action. Marshall himself said: "I was aware of the peace offerings Japan was making to the Russians in the summer of '45. But the Japanese Prime Minister was unable to control the Army. The Army was dominant in these matters, and they could only apparently be shugged into submission. And we slugged them. ... The bomb stopped the war. Therefore, it was justifiable. I think it was very wise to use it."

Mr. Bernstein is correct to say that violating the precept against killing noncombatants weighed heavily on Marshall and others. The day after the bomb was dropped on Hiroshima, Marshall cautioned Gen. Leslie Groves and Gen. Hap Arnold against "too much gratification over our success, because it undoubtedly

involved a large number of Japanese casualties."

KENNETH MANDEL
DANIEL B. POLIN
New York, Feb. 1, 1995

Heroism and Hindsight

To the Editor: Re "Hiroshima, Rewritten" (Op-Ed, Jan. 31): One of the reasons to do historical research is to inspect the decisions of the past in order that the bad ones might be understood before they are made again.

Perhaps there will come a day when veterans' groups and other patriots will stop confusing strategy with execution, will realize that unsettling hindsight regarding high-level decisions (the vaporizing of Hiroshima, for example, or the napalming of Vietnam) does not belittle their efforts on behalf of the country, does not comment on them at all.

Just as a mark of maturity is the willingness to re-examine difficult decisions and to wonder if there might have been a better way, so a mark of character is steadfast resolution in carrying out a decision that has been made. The two are not mutually exclusive. Perhaps there will come a day when Americans will have grown up enough to honor the heroism and sacrifice of those who carried out their orders while cringing at the consequences of those orders and hanging their heads in shame.

HENRY BLODGET
New York, Jan. 31, 1995

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Gore and Gingrich — Men in a Mirror

By Andrew Stark

The two men who preside over Congress — each the most vibrant force in his party — are, in a striking way, mirror images of each other.

When Vice President Al Gore and Speaker Newt Gingrich met last week to discuss the future of the Government, they gestured in the direction of cooperation. But in fact their approaches to government precisely invert each other. Together they frame a set of alternatives we have not faced before.

For Mr. Gore, government has a primary role in a range of areas. But it must adopt "market solutions instead of administrative solutions"; it must restructure itself to "run as a business instead of a bureaucracy" and replicate the "customer-driven, results-oriented quality management" of the private sector.

In essence, this means harnessing the self-interest and initiative of Federal bureaucrats, bringing them into line with the needs of an agency's customers. Mr. Gore seeks not to eliminate departments or agencies so much as "reinvent" them, confronting their employees with the same

components — including limited government and civic responsibility — are equally important, and "economic conservatives often overstate the importance" of the market. As Mr. Gingrich said to the House the day he was sworn in as Speaker: "You can't believe in the good Samaritan and explain that as long as business is making money, we can walk by a fellow American who's hurt and not do something."

So in their search for a successor to government as usual, Mr. Gore and Mr. Gingrich symbolize approaches that exactly reciprocate each other: a market-oriented public sector versus a non-market-oriented private sector. But in doing so, they each evade the very question they claim to be addressing: Where should we locate the borders between public and private?

This is not to say that the question is easy or that it will ever have a definitive answer. But if there is a clear message from the electoral upheavals of 1992 and 1994, it is that the old definitions of government are no longer satisfactory and that Americans want their leaders to work toward new ones.

In Mr. Gore's case, to say the public sector should perform its functions in a more market-oriented way is to say nothing about what those functions ought to be. Understandably, the Administration has made much of the paperwork and personnel reductions. In the first phase of Mr. Gore's National Performance Review (better known as "reinventing government"), one bureaucracy-slaying team, he noted not long ago, "developed a single eight-page application for benefits from six Federal programs — replacing 84 pages of paperwork." Sounds good. But should those six (unidentified) Federal programs be dispensing benefits in the first place?

To be sure, the second phase of the performance review is supposed to examine the very purposes of government. But the principal test for a program's survival will be whether it remains "critical to the agency's mission based on 'customer' input." Making the wishes of customers paramount is well and good when the question is how government can function more efficiently, but not when the question is what it should do in the first place. The "customers" are, after all, clients who depend on the program, and they aren't likely to call for its termination.

The Speaker's emphasis on the nonmarket as against the market-oriented part of the private sector may seem surprising for a Republican in 1995. But in truth the word "market" and its synonyms are virtually absent from his standard stump speech. (He does speak of the "world market," within which we must now compete.) There is no waxing eloquent, even for a few sentences, on the virtues of market principles at home or for their own sake. To be sure, free markets, private property and incentives are a component of the "Jeffersonian model of a free society" he espouses. But other

incentives and constraints faced by profit-making enterprises: competition, stringent budgets, rewards for innovation.

Mr. Gingrich, by contrast, wants to turn over a great many functions to the private sector. But the private sector he has in mind is the one that operates according to non-market principles: voluntarism, community spirit, charity, good Samaritanism. "We must replace the welfare state," Mr. Gingrich says, with a "strategy of dramatically increasing private charities." He argues that we could greatly reduce homelessness if "every church and synagogue in America" were to "adopt one homeless person." In place of the Administration's Americorps national service program, he suggests that every American do three hours of voluntary service a week.

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Horacio Cardo

say that the market-oriented private sector can adequately take up all the slack from a receding public sector — that government's dependents must simply be forced to develop the market virtues of self-reliance and thrift — Mr. Gingrich relies heavily on the emergence of new private suppliers of former government services. And he expects their motivation to be profoundly non-market and selfless.

But the voluntarism and generosity that the Speaker advocates can never fill the entire void created by the receding state. Beyond whatever the non-market private sector can do, the question remains: What should properly remain within the preserve of government, and how much are we going to relegate to the market forces of the private sector?

Market-oriented bureaucrats and good-Samaritan citizens are wonderful things. But when they have to serve cunningly self-interested client groups, or stunningly self-destructive dependent individuals, the borders between the public and the private sectors may still not be where they should. A public sector run according to market principles may yet perform way too many functions, while that part of the private sector activat-

ed by non-market principles may well be far too small to take over those functions. Mr. Gore and Mr. Gingrich, taken together, call our attention to a strikingly complementary pair of possibilities. They also strikingly avoid the real question.

Foreign Affairs

THOMAS L. FRIEDMAN

Maybe, Maybe Not

JERUSALEM To understand the mood in Israel today you have to understand what the handshake between Yitzhak Rabin and Yasir Arafat did for Israelis — even the most hard-line. What it did, say Israelis, was introduce a new word into their diplomatic lexicon: "Maybe." Maybe this war with the Palestinians is not forever, maybe we can live together in two states, maybe tomorrow can be different from yesterday. Maybe.

But after the latest Palestinian suicide attack on Israelis at Beit Lid, an older phrase is creeping back into the Hebrew lexicon: "Maybe not." That is why this peace process is in trouble. That is why the next stage — Israeli redeployment from Arab areas in the West Bank, followed by Palestinian elections — will not happen any time soon. That is why some anonymous soul just draped a banner on a bridge in Tel Aviv, which says simply: "Rabin: Wait A Second."

Beit Lid snapped something in the Israeli psyche. As an Israeli friend remarked to me: "I feel now like we've tried war, we've tried peace, what's left? Has it finally come down to that stupid joke, 'Oh well, that's the crazy Middle East.' Is that it? Are we living the joke now?"

Why did Beit Lid raise such profound questions? One answer could be found the morning after when the Israeli newspaper Yedioth Ahronot ran pictures of all 19 victims on its front page, under the banner headline: "The Children Who Will Never Come Back." That headline intrigued me. All but one of the victims were armed Israeli paratroopers in uniform, yet the newspaper called them "children." When 18-year-old soldiers die in Lebanon the newspapers call them "soldiers." But when 18-year-old soldiers die at a bus stop in the heart of Israel they are called "children." I think it was the Israeli way of saying that these youths were not at war; they were at home. And the fact that 19 Israeli children could be killed at home by Palestinian suicide bombers — even after there was supposed to be peace — means the accord with the P.L.O. must be hollow.

There was also the fact that the Beit Lid attack was carried out by two Palestinian bombers working together. The idea that you could recruit two people to commit suicide together, the first blowing himself up amid the soldiers and the second blowing himself up amid the rescue squad, is so utterly depraved it left Israelis feeling that they were deal-

ing with something wholly out of their control.

A woman I knew in Beirut used to joke that whenever she flew on an airplane out of Lebanon she carried a bomb in her suitcase, because the odds of two people carrying a bomb on the same plane were virtually impossible. Well, the Palestinian fundamentalists just beat the odds, and that's scary. Mr. Rabin seemed so disoriented by it that he ordered the police to protect the bus stops where paratroopers gather. Think about that. Police protecting paratroopers. Who will protect the police?

The other thing that so unnerved Israelis was how Palestinian fundamentalists in Gaza celebrated, even re-enacted, the suicide bombings, while Mr. Arafat issued a perfunctory condemnation through a spokesman. This has left many Israelis wondering whether their problem is not with a few Palestinian extremists, but

The mood shifts in Israel.

with a community of extremists.

Mr. Rabin has picked up on the Israelis' desire to separate from the Palestinians. Every day now he declares that his primary concern is the "97 percent of Israelis" who live within the boundaries of "sovereign Israel" — not those settlers in the West Bank and Gaza. But while Mr. Rabin speaks about separation, his Government has increased settlements in the West Bank by 10 percent in two years. That's crazy. It undermines Mr. Arafat's credibility and leaves Palestinians feeling they are being duped. It's time for Mr. Rabin to draw them a line where Israel stops and they start.

As for Mr. Arafat, Israelis don't expect him to end all violence against them. They understand that some originates from areas under Israeli control. But they do expect him to remove the ambiguity about whether these suicide bombers are the fringe of his community or its very soul. If they are the fringe, then he has to demonstrate that. If they are the soul, then this peace process is over. The only Palestinian state will be in heaven, with the suicide bombers, not here on earth next to Israel. And that's not maybe. □

Journal

FRANK RICH

PBS — Better Than Nothing?

Yes, but.

The only thing longer and less enlightening than a public television fund-raising drive may be the debate over the future of public television itself. When we reach the point where Bert and Ernie hand puppets are appearing before a Congressional committee to plead for their lives, who wouldn't rather start worrying about the peso?

Both camps in this battle are now deep into hyperbolic overdrive, and neither has a monopoly on virtue. So before I explain why I strongly believe public TV must be spared the Gingrich ax, let me say why reformers should nonetheless go after public television with a machete.

The problem with PBS is hardly a leftist bias. As Lewis Lapham wrote in Harper's a year ago, the programming is timid to a fault — dilled by its "strict conformity to the norms of expression deemed proper" by corporate underwriters. Even PBS's own Robert MacNeil rightfully attacked it for its "appalling" decision to jettison "Tales of the City" after it was pilloried by the religious right for sexual content more benign than that of network TV.

Other PBS leading lights, not speaking for attribution, derisively recount the system's financial inefficiencies, its ludicrous overlap of stations, its spineless leadership. Such is PBS's recent intellectual bankruptcy, one executive explains, that no new signature series, like "Nova" or "Masterpiece Theater," has been created in more than a decade.

So why not privatize this spotty system, either by selling off its stations and programs or by replacing

the \$285 million Federal outlay with new corporate investors? Don't — or couldn't — the boutique channels of cable duplicate PBS's goodies for all Americans anyway?

This is the solution of Newt Gingrich and his Senate partner in PBS-slaying, Larry Pressler of South Dakota, but it would be the wrong one — even if cable were available to all Americans, including the poor. The moment public television is private television, driven by a need for profits, not only would its unsexy, low-rated educational and cultural offerings vanish overnight, never to reappear elsewhere, but its surviving hits might soon be unrecognizable.

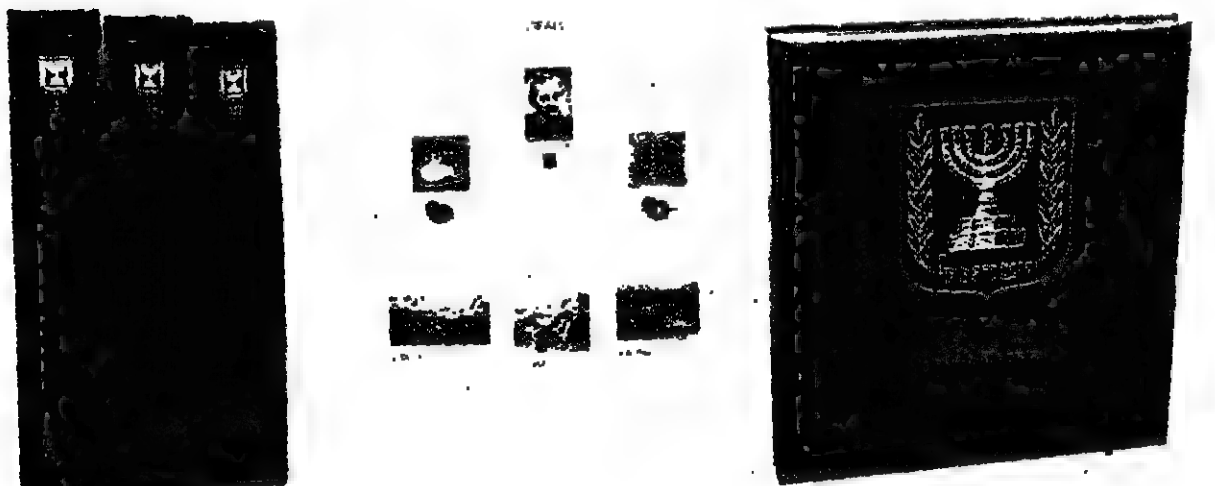
Even if "Sesame Street" landed on a commercial station, cable or not, where it could remain free of the ads that poison children's TV, it would still be vulnerable to tampering or cancellation once its ratings or promotional usefulness eroded. Michael Fuchs, the C.E.O. of HBO, posits that even "The MacNeil/Lehrer Newshour" would have to be souped up for commercial television.

And when these shows pass away, who would create their successors? Ken Burns says no for-profit TV company would have let him do a project the size and style of "The Civil War." Once it was a hit, the networks chased him, of course, but

if there's no public television, who will find and incubate the next Ken Burns? For that matter, Mr. Burns argues, no commercial channel could produce "The Civil War" and get PBS's results: He points to "Lincoln," the subsequent ABC "Civil War" wannabe that was inevitably flattened by intellectual corner-cutting and commercial interruptions. Mr. Fuchs of HBO speaks darkly, too, of what would happen if PBS stations were sold off: "You'll wake up and have another load of pure commercial stations doing whatever the others do, and another big company trying to build a new network out of them." One circling vulture is Jones Interchange, which just happens to provide free air time to Mr. Gingrich's televised college course. And what about Fox, whose proprietor, Rupert Murdoch, is as well acquainted with Senator Pressler as he is with Speaker Gingrich?

To be sure, those who run public television often seem both too pious and too unimaginative to reform it. Yet those who want to privatize it are both pious and disingenuous, since they're often the same people who decry the decline of American values, citing vulgar and violent network television as Exhibit A. When PBS was airing "Nova" and "Frontline" last week, Mr. Murdoch presented the first made-for-TV movie about the O. J. Simpson case. If a privatized PBS and Fox were competing for profits in the same ruthlessly Darwinian electronic marketplace, does anyone seriously doubt which brand of television would survive?

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FILM

At Sundance Festival, There's Life Beyond Artsiness

By JANET MASLIN

"I'm going to make these people crazy," Robert Redford murmured as he approached four diners at the Sundance Institute's cozy restaurant and asked if they'd mind letting him show off a framed photograph hanging behind their table. Dating back to 1980, it was a picture of Sundance's first film-making fellows. It looked as quaint as a shot of 19th-century miners.

So much has changed for Sundance in 15 years: It has come of age as a major training ground for new talent, and it has spawned a film festival that now transcends its former arty, sincere identity to generate real innovation and excitement. Mr. Redford, who said he used to think of film festivals as events "where they gave medals to people who had already died," also proudly pointed out a couple of small buildings he had helped build on the grounds of this beautiful ski resort.

Built professionally, and on only a slightly grander scale, are a conference building, a screening room and Mr. Redford's office, with skys spilling out of a closet, family snapshots (at 57, he has four grandchildren) and a pair of vintage hand-tooled cowboy boots that say Bob. "That's where I edited 'Quiz Show,'" he said, pointing to a little green tin-roofed shack nearby.

But the accomplishment of Sundance goes beyond hammer and nails. Mr. Redford, whose main motive in involving himself with this festival appears to have been a real love of independent film making (he first tried an independent distribution venture as early as 1970), has created a niche that did not previously exist within America's cinematic marketplace. He has done this not only through this nonprofit project with a group of distinguished alumni (it's the only place Quentin Tarantino ever had any formal training) but also by his own example. "Quiz Show," after all, was as thoughtful and rarefied a film as has come out of the American studio system in recent years. Whatever its commercial fortunes, it also had the marquee value of the Redford name to give it a running start.

So if Mr. Redford really cares about helping young film makers, why has he stopped short of lending his own movie-star presence to their projects? "You know what?" he said. "No one's ever asked me. I wish they would."

While we let that sink in, let's consider the caliber of this year's Sundance Film Festival, which takes place about 45 minutes away from the Sundance Institute in the small resort town of Park City, Utah. Held during a week when hundreds of dentists also converged on this setting for a conven-

tion, it demonstrated the increasing breadth and ambition that have established it as a major event on the festival circuit. Last year's Sundance selections, including both films shown in competition and others that simply had their premieres there, were especially memorable, among them "Hoop Dreams," "Clerks," "Spanking the Monkey," "Fresh," "Four Weddings and a Funeral" and "Reality Bites." Those films marked a major leap forward and this year's list should prove as memorable in the long run.

The top honor, the Grand Jury prize, went this year to a particularly gratifying winner: "The Brothers McMullen," a droll comedy of ethics and manners about three young Irish-American men still living in the Valley Stream, L.I., house where they were raised. As the brothers try to keep the peace with various women in their lives, the film gets a sardonic running commentary from the middle McMullen, played by Edward Burns, the film's 27-year-old writer and director.

Up until now, Mr. Burns's main show business experience was as a production assistant on the syndicated television show "Entertainment Tonight." In December, when the show filmed an interview about "Neil" with Jodie Foster in a hotel suite, Mr. Burns fell asleep in the adjoining bedroom and snored so loudly he spoiled the sound.

But now, like last year's Kevin Smith, who captured the imagination of the press corps by shooting "Clerks" in the New Jersey convenience store where he worked, Mr. Burns has himself become great copy. He shot his film on weekends, recruited "Entertainment Tonight" interns to work cheaply, cast his real girlfriend as his screen girlfriend and made the film in his parents' house. His father, Edward J. Burns, a former New York City police spokesman, served as executive producer. And Woody Allen served as unofficial role model: on screen, the younger Mr. Burns displays a rueful, self-mocking panache very much in the Allen mold.

When "The Brothers McMullen" is released commercially later this year, its low-budget look will doubtless be polished somewhat; there is already talk of adding a costlier Irish musical score. Money can buy that, but it can't buy the obvious raw talent that won Mr. Burns his award.

Sundance has increasingly distinguished itself as a launching pad for clever film makers whose careers are at very early stages and who are thus fair game for those Hollywood types who find this festival so attractive. Is the Hollywood element, which goes visibly berserk over a promising, agentless new director like Mr. Burns, taking over Sundance? "It isn't, really," said Mr. Redford, "but they're certainly welcome."



Maxine Bahns, left, and Edward Burns in the Long Island comedy of manners "The Brothers McMullen"—Winning ways.

If Sundance alumni like the Coen brothers ("Blood Simple," "The Hudsucker Proxy") and Steven Soderbergh ("Sex, Lies and Videotape") have never easily accommodated themselves to Hollywood, more recent winners like Mr. Burns and Mr. Smith may be better equipped to chart a middle course between art and audience appeal. Mr. Burns mentions Richard Linklater, John Sayles, Mr. Allen and Spike Lee as potential role models, which places him within a reasonably mainstream tradition. And while Sundance still offers a forum to more experimental film makers — like Todd Haines ("Polser"), whose haunting but ponderous "Safe" was shown this year — it has begun to give more commercially viable entries equal time.

Three of the best documentaries shown in competition concerned well-known personalities working in the popular arts: R. Crumb, whose disturbing drawings and extraordinarily troubled family were deftly explored by Terry Zwigoff's "Crumb," which won the top prize for documentaries; "Unzipped," Douglas Kieve's boldly colorful portrait of the fashion world, centered on the designer Isaac Mizrahi; and Don Was's "I Just Wasn't Made for These Times," a

fond and fascinating portrait of Brian Wilson of the Beach Boys. Each of these films went beyond straightforward reportage and created its own brand of drama, which is the secret of any good documentary's popular success.

Some of Sundance's more viable films — including "Once Were Warriors," "Priest" and "Before the Rain" — have already made their marks elsewhere on the festival circuit, but there were also brand-new revelations. I especially liked "Living in Oblivion," Tom DiCillo's mischievous in-joke comedy about low-budget movie makers, with Steve Buscemi especially deft as a long-suffering director and Dermot Mulroney as a tough-guy cameraman in a beret. Mr. DiCillo, who directed Brad Pitt in "Johnny Suede" in 1992, insisted that this film's vain, laid-back leading man — played hilariously by James Legros — had nothing to do with Mr. Pitt. That's not easy to believe.

"We all slept well with these decisions," said Atom Egoyan, the director of "Exotica" and one of Sundance's jurors in the dramatic competition, about the prizes awarded this year. Mr. DiCillo received a screenwriting award, and there were also

special jury prizes for James Mangold's "Heavy" and Matthew Harrison's "Rhythm Thief." In addition to jury prizes, there are also awards voted by film makers (they went to Rebecca Müller's "Angela" and the late Marion T. Riggs's "Black Is... Black Ain't") and audience members.

The audience awards (this year's dramatic prize went to Kayo Hatta's largely unnoticed "Picture Bride," set in Hawaii) are less trustworthy. As an audience member, I was able to obtain, and could have filled out, more than one ballot to vote for a single film, and I doubt I was alone in that. But this year's official jurors were a well-chosen group (including the directors Whit Stillman and Darnell Martin and the actor Samuel L. Jackson) and they were reportedly impressed with the professionalism on display.

Mr. Egoyan cited the authentic tone of many entries. "There are higher-budget films that spend tons of money to approach that sort of intimacy," he said. He also mentioned the prevailing spirit of freedom, describing it as "not just independence of the studios, but independence of spirit." So the Sundance spirit of experimentation, a viable alternative to standard major-studio movie-making, continues to flourish.

MUSIC

In Israel, A Utopia Recedes

By EDWARD ROTHSTEIN

In 1934, in Palestine, the Polish violinist Bronislaw Huberman had a vision of an artistic utopia. In this paradise, he said in a lecture, no class would have an exclusive claim on mankind's highest aesthetic achievements. Great art would be the birthright of all citizens. He envisioned a place where populism would mean a universal dedication to the sublime.

Palestine could be such a place, he suggested, "the first country where we shall witness the miracle of an entire community culture." And the first step toward realizing that miracle was to create a new orchestra that would, in its performances, help create "One Great Spiritual Unity."

"Let's work for Music in Palestine," he urged his audience.

So began the Palestine Symphony Orchestra, which later became the Israel Philharmonic Orchestra. Huberman's utopian visions were part of what inspired Arturo Toscanini to lead the orchestra's inaugural concert in 1936, declining all fees. Huberman arranged for the emigration of orchestral musicians from Germany, Poland, Austria and Hungary, saving them from the Nazis. The new orchestra played for the general public and in special workers' concerts, with ticket prices reduced by 80 percent. It became a cooperative, run by the players: a musical kibbutz, of sorts. Its ambition was to become a regional ensemble that would help bring peace to the Middle East; two weeks after the inaugural concert, Toscanini led the orchestra on its first foreign tour, to Egypt.

The Israel Philharmonic will begin a two-week tour of the United States on Wednesday in Washington and play at Avery Fisher Hall on Feb. 12 and 13. Its utopian heritage is still important. But having come to realize that in contemporary culture, populism does not mean universal appreciation of high art, the orchestra is sternly schooling itself in the practicalities of the late-20th-century music business.

Until its 50th anniversary, celebrated in 1987, the Israel Philharmonic, secure in its finances and confident of its future, could afford to be complacent about its place in the artistic cosmos. Zubin Mehta was appointed music director for life in 1981. Subscriptions were jealously guarded by their possessors and passed on like family heirlooms. (In 1973, the waiting list for subscriptions contained some 2,000 names.) During its best years, the orchestra

earned more than 90 percent of its budget through subscriptions and box office, a figure probably unmatched anywhere in the world. And there was no significant competition in Israel itself.

But then, as one musician said recently, cable television came. Leisure activities changed. Over the

The Israel Philharmonic learns hard realities of the music business.

decades, Israel itself became a modern state, one with more problems than most. Immigration made European culture less central. Artistic education was neglected. New Russian immigrants, meanwhile, created numerous chamber groups and orchestras throughout the country, tempting listeners who did not want to travel to Tel Aviv. As loyal subscribers began to die, no new generation stepped forward to take their place. Subscriptions fell from a high of 35,000 to 28,000 by 1990.

In 1991, Avigdor Levin, a new financial officer, was hired to stop the slide. "We are reaching normalization," Mr. Levin wryly explained last fall. After surveying the damage, he pushed normalization even farther. The orchestra's first advertising campaign included bus posters in Hebrew proclaiming: "We are expanding the circle for you" and "The I.P.O. is for everybody."

The orchestra tried some of the techniques used in the United States, reducing the number of concerts in each subscription series and offering special privileges at the box office for subscribers. Mr. Levin has visited and consulted with the New York Philharmonic and the major orchestras in Philadelphia, Boston, Cleveland, Chicago and Pittsburgh.

The approach has begun to pay dividends. Since 1991, Mr. Levin said, 20,000 new subscribers have joined the orchestra, and the slippage has stopped. The average age of the audience, 63 in 1991, is now 55. Box office represents only 62 percent of the orchestra's budget, yet Mr. Levin boasts that last season, Mann Auditorium, the orchestra's home in Tel Aviv, was more than 90 percent

full; this season, the figure is 95 percent.

But the orchestra must continue its promotional pressure amid increasing competition.

"The more competition the better," Mr. Levin insists. "Some subscribers who left us for other orchestras are coming back."

Stiff new competition has come in particular from the new opera house in Tel Aviv, just a short walk from Mann Auditorium. It opened last October, with no participation by the Philharmonic. By one account, the Philharmonic's inquiries about becoming the orchestra for the New Israel Opera were rebuffed. Shlomo Lahat, the former mayor of Tel Aviv, under whose aegis the building was constructed, told Mr. Mehta, he said, that involvement by the Philharmonic was not a good idea and that competition was good for the orchestra.

Of course, added duties in the opera house would have entailed a radical expansion of the Philharmonic's roster and schedule, and many in the orchestra considered it impractical. But musicians' egos are still bruised over the opera company's complete lack of interest. Some express cautious hopes that a relationship will evolve over time. The situation is volatile at the moment; the company has become a center of controversy in the last three months, with revelations of the squandering of public funds in the construction of the building.

The Philharmonic, meanwhile, scheduled three operas in concert this season and aggressively booked stars like Yevgeny Kissin, Jessye Norman, Yo-Yo Ma, Itzhak Perlman and Riccardo Muti. Although many artists, following Toscanini's lead, accept lower fees than usual or none at all, artistic costs rose by 30 percent this season because of the influx of big names.

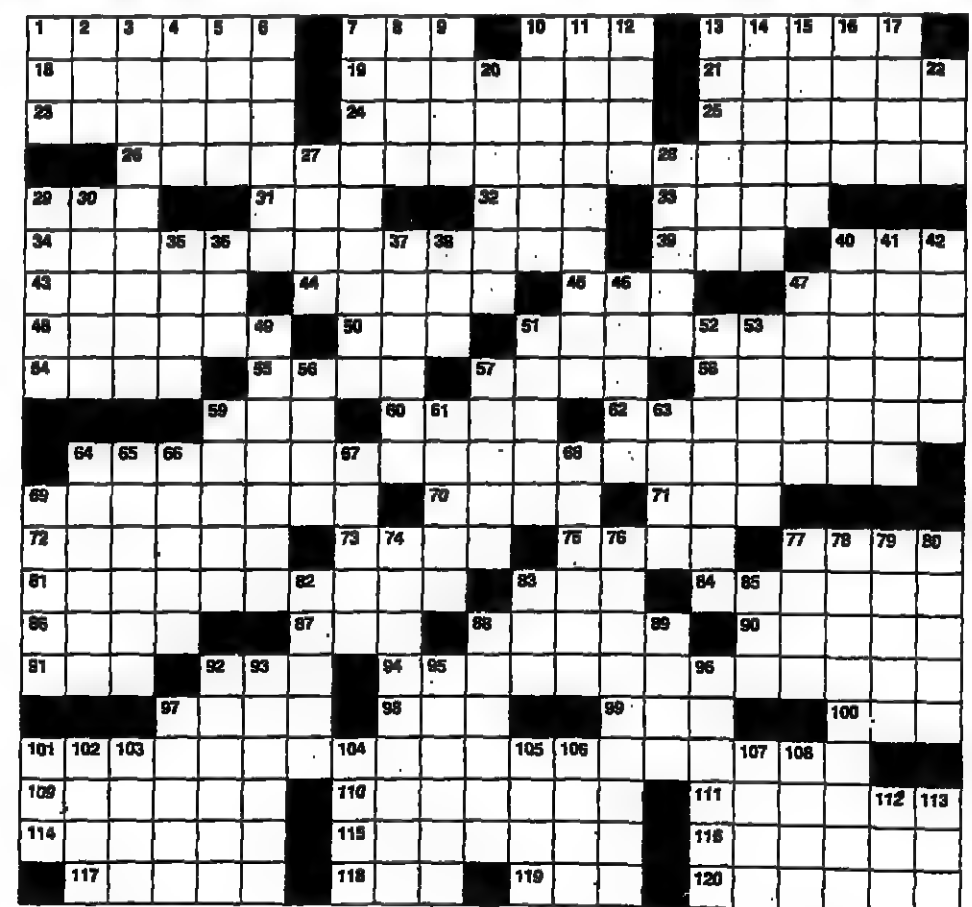
Mr. Levin is lobbying for more help from the Israeli Government. Last season, the orchestra put 358,000 seats up for sale at its Israeli concerts — more than half the tickets available for musical events in the entire country each year. Yet the state contributes just 11 percent of the orchestra's \$14 million annual budget. Most other cultural institutions in Israel receive 30 to 40 percent of their funds from the Government. The Philharmonic's American tour is intended in part to keep the orchestra visible for future fund raising; 18 percent of its budget is now raised privately in Israel and the United States.

PERUSE THE CLUES

BY FRANK A. LONGO / EDITED BY WILL SHORTZ

ACROSS

- 1 Needed
- 7 Neighbor of Ala.
- 10 Where to 'angone's' at
- 13 Its capital is Dispur
- 18 Tempt
- 19 Create a new look
- 21 More plattitudinous
- 23 I-beam projection
- 24 Lightweight cotton fabric
- 25 Like an August day
- 26 CHALTUPID
- 29 Island in a river
- 31 Helpful PC key
- 32 Light rowboat
- 33 Magazine founded 11/23/36
- 34 VISSADAGE
- 39 60's Tarzan
- 40 Song syllable
- 43 Tree trunks
- 44 Cylindrical building
- 45 Computer storage acronym
- 47 Jazabel's husband
- 48 Kind of clock
- 50 Thimbleful
- 51 JASOWB
- 54 Mouth off
- 55 Relief
- 57 Multicolored
- 58 Lively intelligence
- 59 Second-century date
- 60 Saintry ring
- 62 Printings
- 64 SNILTR
- 69 Raconteur
- 70 Lhasa — (terrier)
- 71 Bearded revolutionary
- 72 "The Graduate" role
- 73 Grub
- 75 Artifice
- 77 Parade passageway
- 81 GAINBEAK
- 83 Barbarian
- 84 The Joker, on TV
- 85 Old French coins
- 87 Like: Suffix
- 88 Donnybrook
- 89 The "L" of L. Frank Baum
- 91 — gestae
- 92 Judge Lance
- 94 BEDORISING
- 97 Lulu
- 98 Dudes
- 99 Philosophical universal
- 100 Mudhole
- 101 SPORETAFF
- 109 Hospital worker
- 110 Fan
- 111 "Flash Gordon," e.g.
- 114 Seaport on the Loire
- 115 Tractable
- 116 Vacuum tube type



- 36 Prefix with bar or bath
- 37 — Cook Jr. of "The Maltese Falcon"
- 38 Beau Brummell
- 40 Radon isotope
- 41 Garden work
- 42 Does lookout at a heist
- 46 It's south of Brighton City
- 47 Ancient Rome's — Forum
- 49 Raphael's "Triumph of —"
- 51 God-loving
- 52 Reply to a bad choice
- 53 — "World Turns"
- 56 Famous beach
- 57 Sits heavily
- 59 Siberian salt lake
- 61 Slacken
- 63 Medics
- 64 Factor in sentencing, perhaps
- 65 Discovery of March 13, 1781
- 66 Swipes
- 67 Hydrox alternatives
- 68 Insects' antennae sockets
- 69 More novel
- 74 With embarrassment
- 76 Intact, as a pharaoh's tomb
- 77 Univalent chemical group
- 78 Amnesty
- 79 Macramé, e.g.
- 80 Pooh's prize
- 82 Capital of Deux-Sèvres
- 83 "Yo!"
- 85 Flamenco cheer
- 88 Mike Connors role
- 89 List ender
- 92 Connate
- 93 Wee
- 95 Judge
- 96 Uses a crane
- 97 Keats's — "Psychic"
- 101 Nickelodeon cartoon character
- 102 Term finisher, often or expense
- 104 Float
- 105 Rock's Salt-N-Pepa, e.g.
- 106 Embraced
- 107 Claudius's successor
- 108 Actress Gray
- 112 American fabulist
- 113 Give the go-ahead

ANSWER TO PREVIOUS PUZZLE

ACROSS
1. NEED
7. ALABAMA
10. ANGEL
13. DISPUR
18. TEMPT
19. LOOK
21. PLATITUDE
23. I-BEAM
24. COTTON
25. AUGUST
26. CHALTUPID
29. ISLAND
31. HELP
32. ROWBOAT
33. TIME
34. VISSADAGE
39. TARZAN
40. SYLLABLE
43. TRUNKS
44. CILINDRICAL
45. DISK
47. JAZABEL
48. CLOCK
50. THIMBLE
51. JASOWB
54. MOUTH
55. RELIEF
57. MULTICOLORED
58. INTELLIGENCE
59. DATE
60. RING
62. PRINTING
64. SNILTR
69. RACONTEUR
70. LHASA
71. BEARDED
72. GRADUATE
73. GRUB
75. ARTIFICE
77. PARADE
81. GAINBEAK
83. BARBARIAN
84. THE JOKER
85. COIN
87. LIKE
88. DONNYBROOK
89. THE L
91. GESTAE
92. JUDGE
94. BEDORISING
97. LULU
98. DUDS
99. UNIVERSAL
100. MUDHOLE
101. SPORETAFF
109. HOSPITAL
110. FAN
111. FLASH GORDON
114. SEAPORT
115. TRACTABLE
116. VACUUM TUBE

Pregnancy not an invitation for rudeness

PARENTING

MARY JO KOCHAKIAN

MY acquaintances, my friends, my dears: How thoughtful of you to ask.

Judith Martin, our Miss Manners, kindly suggested this response to a question this writer has heard often lately, a question that is rather personal, if you think about it.

But people don't think about it: There apparently is a lack of boundaries between other people and pregnant women.

So it might seem OK to ask an expectant mother, "Did you plan this?"

This question and its counterpart, "How do you feel about this?" are probably at the extreme end of the range of questions.

"I bet you really want a girl this time" is maybe less so, but this might be ill-received by a woman who is quite happy to be the mother of boys. "Do you know if it's a boy or a girl?" also is a common question now.

Odd, this attitude. "When a pregnant woman begins to show, there's a major role change," says Robin Akert, an associate professor of psychology at Wellesley College in Massachusetts. "There's a lowering of taboos, in a sense."

People would never casually ask comparable questions about one's marriage, for example, she notes.

The pattern "must be cultural, because basically everyone does

it. In some eerie way, people know it's OK to treat a pregnant woman this way."

Some women may welcome it, she says. "They may need it. Pregnancy is kind of a difficult thing."

A pregnant woman may become a lightning rod for other women's feelings, says Susan Seidman, a New York City psychologist who teaches at Fordham University in New York.

The expectant mother will hear things triggered by others' emotions about the decisions they've made, ambivalence about having children, and so on.

"There's a mistaken belief that pregnant women belong to the world, as if we're all pregnant together."

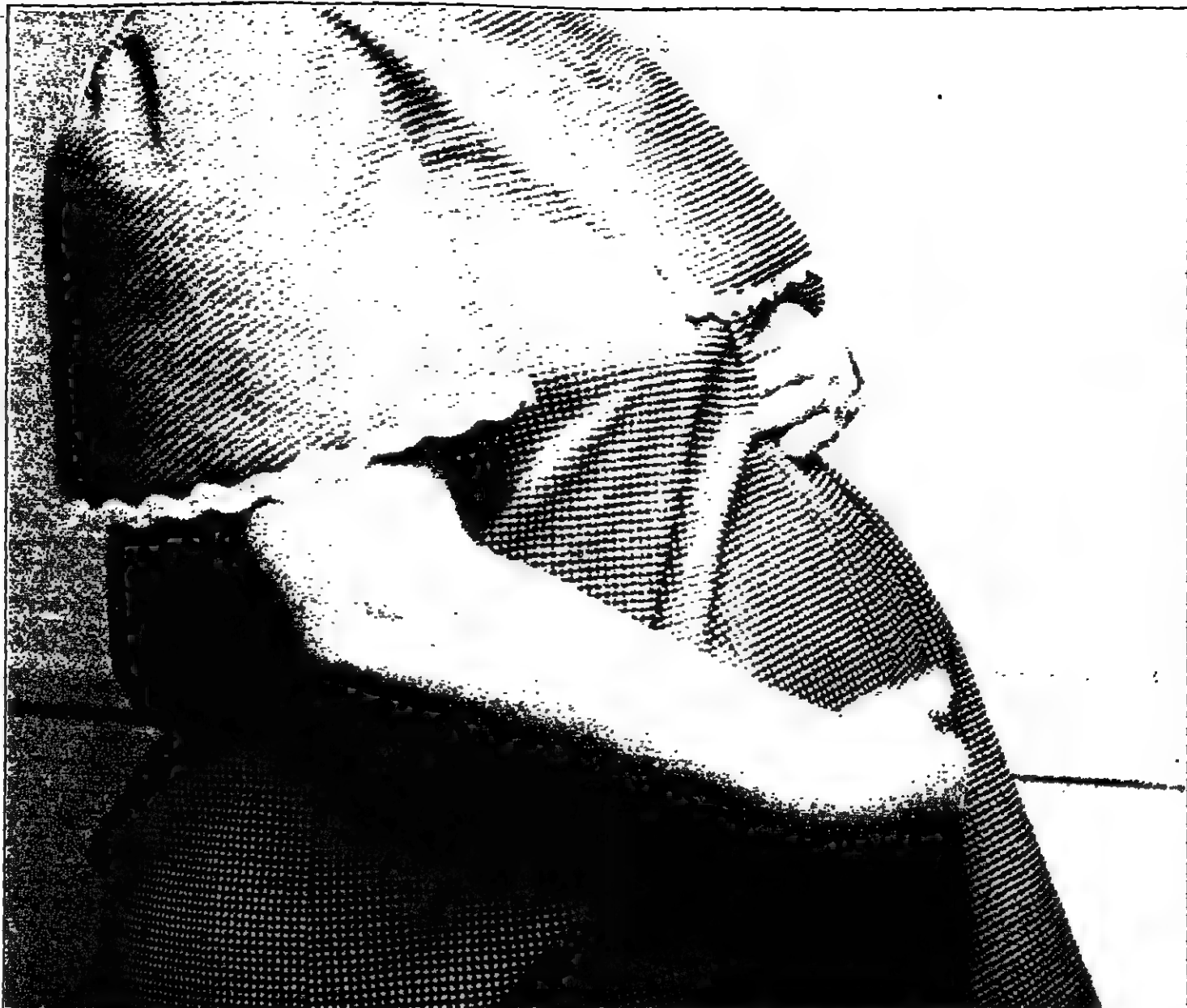
The comments and questions one gets are not mean-spirited.

Rather, Akert says, people are in awe of reproduction and, with their remarks, try to connect with the excitement of childbearing.

"It does make sense" that people try to become involved. In a broad sense, a pregnant woman can be viewed as "doing this for all of us, the whole species. And it's a wonderful thing."

It is. But this well-intentioned attention can be tough to take.

There are two common misunderstandings people have about pregnant women, Martin says: "that a woman's womb is public property," which makes it a suitable topic for polite conversation, "and that it is entertaining



Some pregnant women may respond well to questions of a personal nature; others may not. (David Rubinger)

to a pregnant woman" to discuss what could go wrong.

Things have gotten harder for women who believe in privacy.

"There is a disastrous concept that it is virtuous to be honest and say anything that crosses one's mind," Martin says.

Before the movement for self-disclosure, people "at least had the discretion to keep their mouths shut," despite curiosity

about how much weight a woman might have gained, or whether she found it easy to conceive.

Miss Manners does not allow rudeness as a response to rudeness.

But neither should a woman feel required to answer prying questions.

If the woman is asked, for example, "Are you hoping for a boy?" the right answer is: "We

don't care. We're looking forward to the baby whether it is a boy or a girl." (Tip: The correct response upon learning of a woman's pregnancy is: "How wonderful. Congratulations.")

Refusing to answer these questions may be difficult. Women have been brought up to be compliant, and a woman who doesn't answer "is likely to be perceived negatively," Akert says.

Seidman agrees. The woman may end up with some unpleasantness, even though she has a right to say, for example, "I'm not comfortable talking about that."

The pregnant woman finds herself in the category of not woman or person but "other."

"Who knew there was a role?" Akert says. "But there is." (The Hartford Courant)

No spray, please, for these flyers

EARTHLY CONCERNS

D'VORA BEN SHAUL

FIFTEEN years ago the US banned the insecticide spraying of passengers and crew on international flights, but many countries still insist on this extremely harmful and basically useless practice.

After the Center for Disease Control in the US found that the routine spraying of aircraft, passengers and crew did nothing to prevent the introduction of insects or diseases, the practice was discontinued on all American international flights.

Nevertheless, the US has continued the practice on military transports until this day, as have some 25 countries at their points of entry.

The sprays used are not only ineffective for their intended purpose, but are also a health hazard. The principal ingredient in these sprays, which are liberally used in aircraft just before landing, is the same chemical found in a popular household spray called Black Knight Roach Killer. On the containers of the household spray, there is a clear warning that users must avoid breathing it in and prevent contact with the eyes or mucous membranes.

But when this stuff is sprayed into the passenger and baggage compartments of an aircraft, everyone in the plane is subjected to such contact. In the case of passengers, it may well be a one-time contact, but for crews it may be a repeated and even a regular experience.

Because it is hard to convince various bureaucracies of the folly of their previous decisions, thousands of passengers and crews are regularly sprayed with a material that is at best toxic, at worst possibly carcinogenic and/or mutagenic.

In a drastic move a couple of months ago, the US Department of Transport passed a ruling that requires all travel agents and airlines operating within the US to advise passengers and crews that if they take certain flights, they will be subjected to spraying with these toxic materials.

The information must be given to passengers when they book their flight and to crew members when they sign on for duty.

No pressure from the US Food and Drug Administration or the Department of Transport has had any effect where the US military are concerned, and all passengers and crews returning to the US on their transports are routinely subjected to these toxic exposures.

Nor has the recent ruling made any impression on the 25 countries that still demand this spraying, however useless and potentially harmful it may be.

A complete list of countries that demand this so-called service is impossible to obtain.

No one seems to be willing to disclose just which countries continue this nefarious practice. That has to do with trade agreements and with self-serving interests.

Here, however, is a list of those countries definitely known to require the routine spraying of all arriving passengers and crews: Antigua, Argentina, Belize, Brazil, Costa Rica, Granada, India, Jamaica, Kenya, Tanzania, Mexico, Mozambique, New Caledonia and Trinidad and Tobago.

Municipal appointments without tenders set aside

LAW REPORT

ASHER FELIX LANDAU

In the Supreme Court, sitting as a High Court of Justice, before Justices Theodor Orr, Eliezer Mazza and Yitzhak Zamir, in the matter of Arye Zucker, petitioner, versus the Tel Aviv Municipality and 10 employees, respondents (H.C. 1086/1349/94).

Tel Aviv Mayor Ronni Milo appointed 10 administrative officials in the municipality shortly after the elections in November 1993. Arye Zucker, a member of the council and its control committee, requested that Milo cancel the appointments as they had been made without public tenders as required by law. Milo refused, and Zucker then petitioned the Supreme Court, sitting as a High Court of Justice, to set the appointments aside.

JUSTICE ZAMIR, in delivering judgment, first pointed out that, in view of the importance and urgency of the case, and only as an exception to the general rule, the court had decided to deal with the matter itself and not refer it to the Labor Court.

Section 167 of the Municipalities Ordinance (New Version) of 1964, he said, empowers a municipal council to appoint a town clerk, treasurer, engineer, sanitary surveyor, and medical and veterinary officers. Under section 170 the mayor may appoint other officials (excluding casual daily workers and those appointed through the Employment Service) only after he has "publicly invited bids for the post" in accordance with regulations issued by the interior minister with the confirmation of the Knesset Interior and Environmental Committee.

However, under section 170(c) of the Ordinance, the minister may designate in the regulations "posts and categories of posts to which, on conditions prescribed by him, the requirement of an invitation of bids shall not apply."

The minister issued regulations in 1979 governing the conduct of public tenders, and also rendering them unnecessary in certain cases. Regulation 2(a) provides that if certain posts become vacant and are not filled "in any other manner," a public tender must be published. Regulation 2(b) excludes certain posts altogether from the necessity of tenders, and regulations 34 and 35 in the second chapter of the regulations govern employment under special contracts.

The respondents had shown that even if the tender regulations had not been observed, the posts in question had been filled in accordance with the state service regulations (the "takshir"). They therefore submitted that, since regulation 2(a) permitted the filling of a post "in any other manner," the appointments were valid.

This interpretation, said Justice Zamir, would defeat the objects of the above Law. It was intended to ensure that only the best candidates would be chosen, and that the principle of equality between competitors would be fully observed. The only possible exceptions, therefore, were those permitted by Law or regulations.

The takshir applied to state servants alone. The court had indeed held, as counsel had argued, that a municipality was entitled to adopt the rules of similar bodies where no Law or regulations governed the situation. In that case, however, the appointment had been made before section 170 above had been enacted. Where, however, as in the present case, such a Law and regulations existed, the expression "in any other manner" applied to them alone.

Justice Zamir added that, if the position were otherwise, the municipality need not necessarily have chosen the takshir. Either by its own decision, or by agreement with its employees, it could adopt the rules applied in the State President's Office, or in the Ports Authority or the Electric Corporation. The result would be complete disregard of section 170 and the regulations.

The municipality, he continued, cited regulations 34 and 35 to justify the employment of two respondents by special contracts without a tender. However, those regulations permitted that course only where a tender had attracted no applicants or no applicant was satisfactory, or where a special contract was to be extended for less than a year. None of these requirements had been fulfilled in regard to those employees.

Justice Zamir then commented that the State Service (Appointments) Law of 1989 and the relevant regulations of 1990 laid down specific provisions for employment of state servants by special contract; similar provisions also applied to local and district

councils under the Local Councils Order (Procedure for Appointment of Employees) of 1977.

However, the only such provisions applying to municipalities were the above regulations 34 and 35, which left a number of major points uncovered. It would seem appropriate for the competent authority to consider remedying this situation.

He then considered the case of Shosh Avigal, who had been employed by the municipality since November 1993 and was appointed director of the municipal arts division after a public tender in March 1994. Zucker had submitted that her having been a municipal employee prior to the tender gave her an unfair advantage over other competitors.

Citing Crown's case (H.C. 703/87-The Jerusalem Post, April 3, 1987), he held that Zucker's submission was unacceptable. Indeed, regulation 35 of the regulations provided specifically that a municipal employee could participate in a public tender.

It was possible, he added, that where an employee had been appointed to a specific post by special contract purposely to give him preference in a public tender, the court would invalidate the later appointment. In the present case, however, no other participant in the tender had complained, and there was no basis for the suggestion that Avigal had enjoyed any unfair advantage.

There was no ground, therefore, for the court's intervention in her case.

Another respondent, Orna Tshileg, was employed in Janu-

ary 1944 as acting director of foreign relations by special contract, without a public tender. In April 1994 she was appointed director following an internal tender open to municipal employees.

Section 170 above, said Justice Zamir, referred only to public tenders, but there was no reason to prevent the municipality from conducting internal tenders open to its employees. Moreover, since the above regulations did not cover the conduct of internal tenders, the municipality was entitled to adopt the takshir for that purpose.

However, it appeared that, under the takshir, an employee filling an acting position under a special contract could only participate in an internal tender "if found suitable for the post in a public tender," and Orna had not fulfilled this requirement.

A more serious difficulty was that her original appointment was unlawful. The municipality was not entitled to rely on the takshir in first employing her under a special contract, for regulations 34 and 35 dealt with special contracts and did not cover her case. The result was that she was not entitled to participate in the internal tender in January 1994 since she was not at that time a municipal employee.

Justice Zamir added that the municipality was not entitled to employ someone unlawfully to pave the way for his being employed lawfully at some later stage.

Lastly, Justice Zamir dealt with the case of Avi Steinmetz, who had been appointed municipal deputy director-general after an internal tender calling for can-

didates with "academic knowledge" - ordinarily meaning, as was not disputed, a university degree.

Steinmetz did not hold such a degree. However, he had undergone several courses in different institutions which, the municipality submitted, gave him similar qualifications.

Zucker argued, in reply, that since the tender conditions did not specify that similar qualifications would be sufficient, there may have been other candidates in the same situation who would have applied.

Citing precedents, Justice Zamir accepted Zucker's contention, and held that Steinmetz's appointment could not stand.

Justice Zamir proposed, therefore, that all the appointments be set aside save that of Shosh Avigal. He added his regret at the blow dealt to the other employees.

But the result was that demanded by the law, and any other conclusion would be inconsistent with proper administration.

In order to enable the municipality to mitigate the results of the court's ruling, the order canceling the employees' standing as municipal employees would come into effect on April 1, 1995.

JUSTICES ORR and Mazza concurred.

Amir Davidov and Gideon Cohen appeared for Zucker, and Nitzan Konstock and Rabel Avid appeared for the municipality and employees. The judgment was given on July 29, 1995.

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BUSINESS & FINANCE

MONDAY, FEBRUARY 6, 1995

Gingrich's wife hired to recruit firms for FEPZ

WASHINGTON — The wife of House Speaker Newt Gingrich, who has no previous experience in trade promotion, has been hired to help recruit businesses for the Free Export Processing Zone in Israel.

For the past few months, Marianne Gingrich has been quietly working as vice president for business development of the Israel Export Development Co., Ltd., whose investors include a number of American businessmen — such as CBS president Laurence Tisch, clothing magnate Sy Syms and real estate developer Robert Tishman.

Gingrich, 43, is to make her first company trip to Israel on Wednesday. She declined to comment about her job.

The IEDC is currently trying to win Israeli government approval to run the new Free Export Processing Zone, a private, high-tech business park where companies can operate free of most taxes

and government bureaucracy. Her appointment seems likely to raise questions about whether the speaker's wife is being used to help the company gain the favor of the Israeli government. During his career in Congress, Newt Gingrich has been a vigorous supporter of US aid to Israel.

"It doesn't hurt to have the speaker of the House's wife on your letterhead or on your board," said Charles Lewis, executive director of the Center for Public Integrity, an ethics watchdog group in Washington.

The company's chairman said he hired Gingrich because of her interest in free-market concepts and her past work as a planner, not because she is the wife of the top Republican in the House.

Since September 1994, Gingrich has been paid a full-time salary by the IEDC — neither she nor the company will disclose the amount — and she is also to earn commissions on any business she

recruits for the company. Gingrich, who is employed by the company's US-based marketing unit, is IEDC's only employee in Washington; the company also maintains offices in New York and Miami.

"We were looking for someone with her kind of experience and her excitement," said David Yershalmi, chairman and CEO of the two-year-old development company, which is based in Jerusalem and incorporated in the British Virgin Islands.

Yershalmi notes that he offered her the job in September, two months before the Republican landslide that sent Newt Gingrich into the speaker's seat. By that time, however, he was a sure bet to become the Republican leader in the new Congress.

For the past two years, IEDC has been the chief catalyst behind the creation of the FEPZ. The idea has been hotly debated, favored by those who see it as a

potential boon to the economy, opposed by those who believe it will hurt existing firms.

As they attempt to secure government approval to manage the zone, the IEDC is trying to recruit multinational businesses, many of them Fortune 500 companies, for the park.

As IEDC vice president, Gingrich is approaching American companies, generally high-tech firms, trying to interest them in expanding into the FEPZ.

In an effort to avoid possible conflicts with her husband's official duties, Gingrich has retained Jan Baran, the Washington lawyer who is also helping with her husband's controversial book contract, to go over the terms of her IEDC work.

Her job is to be structured so that her dealings are strictly "business to business" and do not include any dealings with the Israeli or US governments, according to Baran. (Baltimore Sun)

Sanbar out, Friedmann in as Africa Israel chairman

GALIT LIPKIS BECK



Sanbar: Replaced as Africa Israel chairman. (Efraim Kilshak)

The directors also expressed concern over Grofman's failure to pass important information concerning Africa Israel business to Leumi's board of directors.

"I haven't heard of any accusations of this kind," Grofman said. "All of the shareholders received regular information concerning Africa Israel."

Sanbar's resignation followed a stormy Knesset Finance Committee meeting Thursday at which the participants questioned him on a number of issues, including his purchase of four apartments built by Africa Israel at a discount.

The MKs also expressed concern over issues related to Sanbar's salary and Leumi's losses in Hungary and New York.

At the end of the meeting MK Dan Tichon (Likud) said a fierce argument broke out between Sanbar and Grofman during the meeting, as each official gave his side of the episode.

In reaction, Sanbar said "the two of us [Grofman and Sanbar] may have to go or maybe both of us will stay. It is a problem we will have to resolve."

Grofman said, "I got on with the chairman in the last six years. We worked together exceptionally well, but there were several problems associated with the sale of Africa Israel."

New rules for securities dealings

JOSE ROSENFELD

SUPERVISOR of Banks Ze'ev Abeles yesterday announced new regulations aimed at tightening the monitoring of the commercial banks' securities dealings on behalf of their customers.

Following liberalization of foreign currency rules and opening investments in foreign stocks to residents, the central bank decided to apply the same oversight on foreign security transactions as on local stock investments.

The rules prohibit banks from acting as securities traders with their customers by buying or selling from the banks' own account. The bank is only entitled to act as an agent for its customers.

This change also means customers will only pay the price the bank pays for stocks, with the addition of a set agent's fee.

Abeles also forbade bank employees from purchasing securities from customers through a power of attorney, unless they are purchasing for their relatives.

Firms fear drop in exports could slow growth

GALIT LIPKIS BECK

THE Manufacturers Association fears economic activity will slow down in the first quarter following a drop in companies' profits from exports, according to the association's January expectations survey.

The association's economic department questioned more than 200 industrialists for the survey.

The majority of firms forecast a slowdown in growth in the first quarter, as only 46% predicted a rise in production.

The survey revealed that 60% of the firms registered a decrease in export profitability in January, of which 19% reported a significant drop. In addition, 24% of the firms said overseas export prices fell last month, while 16% registered a rise.

Companies also suffered from an increase in financing costs last month. The manufacturers said 62% of the firms reported a real rise in costs in January, compared with 23% in a similar survey last year.

"There is no doubt that the sharp rise in the economy's interest rate has had a significant influence on financing costs," said Hazi Gutman, head of the association's economic department.

Gutman also blamed the rise in financing expenses on last month's increase in raw materials worldwide.

He said the traditional industrial firms, including those engaged in the textile sector, have reported a drop in activity during the last few months, while the electronics, chemical and metals fields have registered a rise.

The survey said local market sales fell in the first quarter, with 23% of the firms registering a drop in domestic sales.

Gutman said most firms attributed their growth in the fourth quarter to an increase in export sales, mainly due to seasonal factors.

He said 52% of the companies reported a rise in export shipments and about 21% registered a drop.

Some 58% of the firms reported a growth in production in the fourth quarter, while 23% suffered a drop in growth.

Israel Bonds plans to raise \$850 million in '95

JOSE ROSENFELD

ISRAEL Bonds President Nati Sharoni yesterday announced that the organization plans to raise \$850 million this year, with a focus on expanding sales to households at the expense of financial institutions.

The Bonds began issuing a new series of bonds that will pay Libor plus one percent in units of \$150,000 or more for a period of

seven years. It will also continue issuing bonds whose yield is based on the prime rate, although paying prime minus 0.75%, instead of minus half a percentage point.

These bonds will not be sold to financial institutions. Lowering existing yields and

introducing a new instrument based on the Libor rate, are aimed at expanding the number of clients while gradually lowering the cost of the money raised.

According to the program, the Libor- and prime-linked bonds issued will amount to approximately \$340m. The remaining \$510m

in bonds will be sold to households and will have longer maturity periods of up to 15 years.

Finance Minister Avraham Shohat said Israel Bonds plays an important role in strengthening relations with the Diaspora and the organization's efforts to expand its network of contributors in the Jewish community will contribute to those relations.

Sale of Israel Shipyards to SKO Car approved

Panel also okays schedule for El Al sale

HAIM SHAPIRO

THE Interministerial Committee on Privatization yesterday approved the sale of Israel Shipyards for NIS 40.5 million to a group comprised of SKO Car Investments (1992) and SKO Car Ltd.

In the second round of bidding, the group beat the Admiral group, which was the highest bidder in the first round.

SKO Car agreed to a number of conditions not included in the original tender. For example, the buyers undertook to maintain the company as a shipyard and pay any workers fired in the next two years the same compensation that a group of dismissed workers received in

March. The sale is still subject to the approval of the courts, since the company is in receivership, and of the Knesset Finance Committee.

The committee also approved a schedule for the sale of El Al. On February 14, the company is to go out of receivership and a board of directors is to be appointed.

In May, the first set of company shares are to be offered on the local stock market, and by the end of the year another group of shares are to be offered on international markets, until the government holds less than 50 percent of the company's shares.

Postal Authority head seeks structural changes

JUDY SIEGEL

POSTAL Authority director-general Ran Levin said he intends to abolish the authority's regional structure within two years.

He wants to replace it with distinct "business lines," for mail delivery, messenger service, direct marketing and postal branches — each of which would be run by experts.

Under such a system, the "address" of those responsible for successes and failures would be immediately clear, he said.

Levin, in his job seven months, told *The Jerusalem Post* last week that because mail is moved from one postal district to another, liability for any delays is blamed by postal workers in one district on those in another.

But if one person is at the head

of mail delivery throughout the country, responsibility will be clear, he said.

The trend in advanced Western European countries is to privatize postal services.

Although Levin doesn't expect the Postal Authority here to be completely privatized in the near future, he will work toward establishing corporate subsidiaries, each of them in charge of a specific service.

These may take the form of "mixed companies," in which the government has less than a 50-percent share.

So far, he said the Finance and Communications ministries — and even the unions — are in favor, but some senior authority officials apparently prefer to maintain the status quo.

State revenues flat in January

JOSE ROSENFELD

STATE revenues were flat last month compared to January 1994, totaling NIS 7.7 billion, as economic activity stabilized, State Revenues Director Yoram Gabai reported yesterday.

In January, several changes took place, including the elimination of the 35 percent income-tax bracket, the NIS 800 million expansion of the tax brackets, an additional tax credit point for working women and the reduction of corporate income taxes from 38% to 37%.

The full impact of those changes will be felt this month. State tax revenues totaled NIS 4.2b, a real increase of 4%. Gross receipts rose 9% due to end-of-year revenues coming in last month. However, the rise was partially offset by a 150% jump in tax refunds.

Customs and Value Added Tax receipts dropped 5% in real terms to NIS 3.3b. VAT receipts remained unchanged.

Last month, there were a 4% rise in cars imported to 12,000. Similarly, imports of most durable goods went up. Refrigerator imports shot up 58%, video recorders 50% and televisions 16%.

Two more firms chosen to plan airport terminal

HAIM SHAPIRO

THE Airports Authority chose two more firms over the week-end to plan the new Ben-Gurion Airport, known as BG 2000.

The building, holding the aviation side of the terminal, is to be carried out by TRA, in conjunction with architect Moshe Safdie. The planning of the roadways and parking are to be done by Parsons Brinckerhoff International, together with local firms Bren and Dal and architect Mordechai Ben-Horin.

The foreign companies, which are both American, and their Israeli counterparts, will form a joint venture.

The government has also chosen Skidmore Owings Merrill — SOM and the Israeli architects Cami.

The total planning costs are estimated at \$38.8 million.

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Pound sterling (£100,000)	5.125	5.500	6.125	
German mark (DM 200,000)	4.750	4.750	4.750	
Swiss franc (CHF 200,000)	4.000	4.250	4.500	
Yen (¥10 million yen)	2.875	3.125	3.375	
	0.750	0.750	0.875	
(Rates vary higher or lower than indicated according to deposit)				
Shekel Foreign Exchange Rates* (2.2.95)				
CHECKS AND TRANSFERS				
Currency basket	Buy	Sell	Buy	Sell
U.S. dollar	3.3400	3.3800	3.3800	3.3900
German mark	2.9821	3.0221	3.0221	3.0310
Pound sterling	1.5951	1.6351	1.6351	1.6440
French franc	4.7028	4.7428	4.7428	4.7517
Japanese yen (¥100)	0.5828	0.5928	0.5928	0.6017
Dutch guilder	2.3854	2.4254	2.4254	2.4343
Swiss franc	1.7658	1.7778	1.7778	1.7867
Swedish krona	0.4000	0.4068	0.4068	0.4110
Norwegian krona	0.4485	0.4548	0.4548	0.4600
Danish krone	0.4650	0.4712	0.4712	0.4764
Finland mark	0.6284	0.6348	0.6348	0.6400
Australian dollar	1.1225	1.1288	1.1288	1.1340
N. American dollar	0.5405	0.5468	0.5468	0.5510
British pound (£100)	0.5828	0.5891	0.5891	0.5943
Japanese yen (¥100)	2.7825	2.8321	2.8321	2.8817
Italian lire (L1000)	1.8272	1.8828	1.8828	1.9384
Spanish peseta	—	—	—	—
Israeli shekel	3.7041	3.7584	3.7584	3.7825
Spanish peseta (100)	4.8227	4.7784	4.7784	4.8227
	2.2590	2.2818	2.2818	2.2992
* These rates vary according to bank. ** Bank of Israel.				
SOURCE: BANK LEUMI				

SOURCE: ISRAEL DISCOUNT BANK

Rabin pressured to assign interior, religion portfolios

PM has pledged to name ministers within two weeks

SARAH HONIG

PRIME Minister Yitzhak Rabin is under great pressure to reassign the Interior and Religious Affairs portfolios permanently, possibly to MKs not currently serving in his cabinet, sources close to the premier reported last night.

Shas, however, sees the matter differently.

This is "another ultimatum by Rabin. He already served an ultimatum on us last week to enter the government immediately and that backfired. Now he thinks he

is waging a war of nerves against us to show us we might lose the portfolios for good," one Shas MK said.

Privately, however, Shas sources admit they do not want the ministries assigned to others permanently, but only handed over to caretakers. They will watch to see if Shas appointees are fired. If they are, it is said in Shas, the party will actively join

the opposition and work for early elections.

Rabin promised that the two portfolios, would be assigned within two weeks. He met separately yesterday with Tourism Minister Uzi Baram and Economics Minister Shimon She-
ret, each of whom wants Religious Affairs added to his existing

portfolio.

Interior is also sought - as an additional ministry - by Police Minister Moshe Shahal and Transport Minister Yisrael Kessar.

There are also demands in Labor, especially from MKs aspiring to enter the cabinet, that the portfolios be assigned to those

who were promised ministerial status, but for whom no portfolio has thus far been available. Topping this list are Rafi Edri and Avraham Burg.

Within Labor, it is said the pressure has kept Rabin from handing out the portfolios to current ministers for safekeeping. His entourage is concerned that the portfolios' availability could spark a conflict within the party.

Rabin's interest, argue those

around him, is not to completely sever his ties with Shas.

However, the MKs seeking the portfolios have demanded that full-time ministers be appointed. They argue that a ministry like Interior, one of the most powerful and largest, should not be given to a minister who already has a portfolio.

If Rabin accepts this argument he would have to engage in a cabinet re-shuffle, which could invite internal party clashes.

Brown optimistic about region's future

JOSE ROSENFELD

CALLING the closure of the territories economically devastating, US Secretary of Commerce Ron Brown was nonetheless optimistic about the future yesterday, after meeting the family of a victim from the Beit Lid junction bomb attack.

Brown, who spoke at a Jerusalem news conference following his meeting with Prime Minister Yitzhak Rabin, said that both terrorism and the closure impose serious impediments to investment. He added that he was pleased that the cabinet had agreed yesterday to ease the closure somewhat.

Prior to his meeting with Rabin, Brown visited the family of Lt. Adi Rosen, one of the 21 people killed at Beit Lid. He said

the visit reinforced his view that "the people in the region can look to the future with hope and optimism."

At President Bill Clinton's request, Brown added a stop in Cairo to an already full agenda in recognition of Egypt's central role for "getting the momentum of the peace process in the right track."

Asked whether the US would expand the terms of the Free Trade Area (FTA) agreement to extend beyond goods and include services as well, Brown responded that the US would be prepared to open new areas of trade.

Industry and Trade Minister Micha Harish said that the establishment of the US-Israel Science and Technology Commission last



US Commerce Secretary Ron Brown and Prime Minister Rabin meeting yesterday.

year has been accompanied by increased interest of investment banks, insurance companies, and other services in doing business here, and that Israel would be working also to open these areas of commerce.

Today, Brown and Harish will announce the three to four joint high-technology projects, out of 108 that were submitted, that will receive support from the commission.

Despite support at the political

level for the commission, several officials noted that the US Commerce Department bureaucracy has not been particularly enthusiastic and supportive of the commission's work. According to one official, the bureaucracy believes

that the whole initiative is just an excuse for the Clinton Administration to pander to the Jews.

The official said he expected the Americans will eventually come around and understand the initiative's economic benefit.

Kahalani determined to bring Golan bill to plenum within two weeks

LIAT COLLINS

DESPITE pressure from Prime Minister Yitzhak Rabin, Labor MK Avigdor Kahalani says that he will bring his Golan Heights bill before the Knesset plenum for debate within the next two weeks.

The Labor faction is scheduled to discuss the bill today, in what is expected to be a stormy meeting. Representatives from the Golan Heights will attend the meeting, among them Golan Regional Council chairman Yehuda Wolman.

The bill proposes that a referendum be held on any withdrawal from the Golan, and that more than 50 percent of all eligible voters - regardless of how many people actually vote - would have to support withdrawal. Withdrawal

would also require the support of at least 70 MKs.

Kahalani submitted the bill a couple of months ago with several other Labor MKs, including Emanuel Zissman, Yoram Lass and Ya'acov Sheffy, and it has consistently drawn fire from Rabin.

An attempt last week to broker a compromise between Kahalani, the prime minister and new faction chairman Ra'anan Cohen did not succeed. Rabin was quoted as telling Kahalani the bill is "racist" and "an attempt to bypass the Arab voters" while Kahalani apparently attacked the

government's peace process.

It was decided that the discussion will not have to be concluded at today's faction meeting, and that the decisive faction talks would be held only in two weeks. By then, the faction will have had time to agree to Cohen's amendments to the faction rules, which include serious sanctions against an MK who violates party discipline.

"We must all show national responsibility and none of us can forget for a moment that the future and the fate of the country is in balance," said deputy faction chairman Shlomo Babut.

Cohen, who only took over as faction and coalition chairman last week, is apparently anxious to avoid another affair like the one involving his predecessor, Eli Dayan who voted against the government over the Economic Arrangements Law.

Kahalani maintains, however, that he has reached an agreement with Cohen that the new faction rules would not go into effect until after the plenum has voted on the Golan bill.

Namir refuses to extend organization tax

Histadrut dependent on this income

MICHAEL YUDELMAN

LABOR and Social Affairs Minister Ora Namir announced yesterday that she will not issue an extension order for payment of the organization tax to all the workers in the country. Histadrut Chairman Haim Ramon, who had initiated the health insurance law, refused to comment last night.

Trade union section chairman MK Amir Peretz said the Histadrut will fight Namir's decision.

Histadrut leaders signed an agreement with the private employers recently, by which organization fees of either 0.7% or 0.9% would be deducted from the wages of some 600,000 employees. It had been understood that the government would then issue extension orders applying this arrangement to other, unorganized work places, in which some 350,000 workers are employed.

had solemnly announced at the Histadrut convention last week that the government would issue extension orders, applying the organization tax to all the workers in the country. Histadrut Chairman Haim Ramon, who had initiated the health insurance law, refused to comment last night.

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However, Namir said yesterday that after consulting with Ben-Yair, she accepted his opinion that extension orders would not withstand a challenge in the High Court of Justice, since it violates the Basic Law: Human Dignity and Freedom, and Basic Law: Freedom of Occupation.

Namir said that "now that Kupat Holim has been severed from the Histadrut in the advent of the health law, there is no organization tax that applies to the entire working population. Any plant or workplace that has not signed a direct agreement with the Histadrut, cannot be obliged to make its workers pay the fee."

Peretz said yesterday that the decision would first and foremost hurt unorganized workers who do not have many of the benefits that are part of collective wage agreements.

Wet today; snow tomorrow

DAVID RUDGE

SNOW is forecast for Jerusalem and hilly central districts as well as northern peaks in the next few days. Heavy rain fell in many parts of the country yesterday, accompanied by strong winds and a marked drop in temperatures.

The wet weather was marked by a spate of road accidents.

Four people were seriously injured in an accident on the road between the Smech and Ahimad junctions in the Galilee last night, when a car and a van collided head-on. Shortly afterwards, two other cars were involved in an accident on the same road. Apparently, their drivers were trying to see what had happened at the site of the earlier crash, police said.

Nineteen people were hurt in a multiple pile-up, involving a bus, a truck and a number of vehicles, on the Tel Aviv-Jerusalem highway near Sha'ar Hagai. Most of the injuries were minor. The highway was closed for around an hour, leading to heavy traffic jams.

The forecast is for sporadic showers and thunderstorms today with the rain and winds strengthening tonight especially in the north.

The Beit Dagan meteorological service said tomorrow and Wednesday would be stormy and wet, with flooding possible in low-lying areas.

Sleet is expected to fall in central hilly areas, including Jerusalem, tomorrow. The sleet may turn to snow during the course of tomorrow night.



Pictured is the new NIS 10 coin which makes its debut tomorrow, the Bank of Israel coin department announced yesterday. The new coin will gradually replace the bill of the same denomination to save on production costs. The new coin consists of two metals - an internal golden circle and an outer silver-colored ring - which makes it easily distinguishable from the NIS 5 coin. It is also lighter and smaller than the NIS 5 coin. (Text: Jose Rosenfeld; Photo: Reuters)

Six from same unit go AWOL

ALON PINKAS

SIX soldiers from a mechanized infantry company went AWOL last week, after complaining about the way their officers treated them. All six were court-martialed yesterday, and sentenced to jail terms.

The six are in their last year of compulsory service, and complained their new officers were not treating them with the "respect" they deserve as veterans. In addition, they complained about the excessive burden their company was carrying.

Similar incidents have happened in the past among highly skilled and experienced soldiers, who either do not qualify or choose not to go on for officer training.

The IDF, in a statement, said it cannot condone such behavior, regardless of the grievances, and that there are suitable means of expressing problems other than going AWOL.

EILAT and the NEGEV

1st BUS FULL, 2nd BUS FILLING FAST

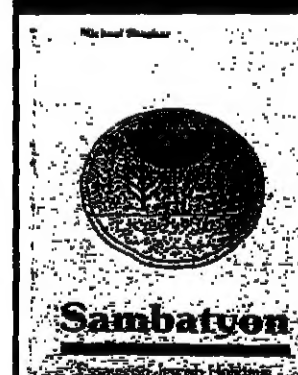
The Children of Israel passed by during their forty years of wandering. King Solomon built his navy here, the Queen of Sheba visited, the Scandinavians come in their droves and now The Jerusalem Post Travel Club and Shorashim are running a stimulating and informative English-speaking 4-day tour. We'll pick you up in Tel Aviv and Jerusalem, visit Jebel Chofera and the Paran River Valley, Wadi Musa, Ein Evrona and the Gate of Peace on our way to Eilat. We'll visit the Timna Park, Solomon's Pillars, The "Mushroom," Red Canyon and more, much more. We'll stay at the Red Sea Paradise Hotel, recently built with super facilities, 3 swimming pools, health club, sauna, jacuzzi, kid's club, etc. In the morning we'll have tours, afternoons are for relaxation, and evenings for lectures and to do as you please.

THE DATES: Sun. Feb. 26-Wed., March 1
4 days/3 nights

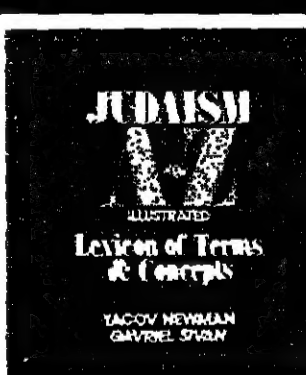
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Namir poverty plan blasted

MICHAEL YUDELMAN

THE Histadrut executive yesterday blasted Labor and Social Affairs Minister Ora Namir's plan to reduce poverty by raising taxes for some senior citizens.

Executive members demanded that Namir shelve the plan, or face a public campaign against it. Namir's plan raises National Insurance Institute retirement benefits by 7 percent by applying NII fees to all income components. The second part will increase the monthly allocation for the disabled and other needy groups, at an annual cost of NIS 120 million.

One-third of the cost is to come from the increasing the taxes of senior citizens who are still working and earn more than 50% of the average wage. They do not

currently get NII pensions and are exempt from NII fees. Namir proposes treating them like every other employee.

Executive member Efraim Zilony, acting chairman of the Histadrut's trade union section, said that if the plan is implemented, the workers in question stand to lose hundreds of shekels a month. This plan, he said, "will prevent healthy and experienced senior citizens from continuing to work after pension age, even if they need the money."

"It's unthinkable that senior citizens be forced to finance the plan to reduce poverty, rather than the employers or the entire tax base," said Elmad Paporish, chair of the social security section.

"Israel On the Map" Real Estate and Investment Supplements

Just before Pessah, The Jerusalem Post will publish special supplements, devoted to real estate and investments, in Israel. The supplements will be published in the International Editions of March 20 and 27, and the daily paper of the festival eve, April 14.

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